

HIGHER EDUCATION IN THE 50 STATES
A Survey of Higher Education Funding, Governance
and Other Related Topics in the States

by

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TABLE OF CONTENTS

	Page
INTRODUCTION TO THE SURVEY AND EXPLANATION OF METHOD	1
SECTION 1: FUNDING MODEL FOR FOUR-YEAR INSTITUTIONS	4
SECTION 2: DISTRIBUTION OF STATE FUNDS AT FOUR-YEAR INSTITUTIONS	7
SECTION 3: GOVERNANCE STRUCTURE FOR FOUR-YEAR INSTITUTIONS	9
SECTION 4: NUMBER OF CAMPUSES	12
SECTION 5: SPECIAL ITEM FUNDING	15
SECTION 6: CAPITAL OUTLAY IMPROVEMENTS	20
SECTION 7: STATE AID TO NONPUBLIC INSTITUTIONS	33
APPENDIX A: INDIVIDUAL STATE DATA	
APPENDIX B: SURVEY QUESTIONNAIRE	

INTRODUCTION TO THE SURVEY AND EXPLANATION OF SURVEY METHOD

This survey was conducted to give the Michigan Senate and other interested parties a fresh insight on the operations of higher education systems across the country. The last known report of this nature was conducted in 1986. This report provides background information that will assist the discussions and deliberations on a number of important issues in higher education. These issues include funding methods, governance structures, system size, and capital outlay methods. The areas of special item(s) funding and state support to nonpublic institutions also are covered.

Information compiled in this report is based on responses to a survey questionnaire provided to officials in the various states. Questionnaires were sent to the legislative fiscal staff in each state. Recipients were asked to respond to the following questions by checking the reply that best applied to their state:

1. Funding Model for Four-Year Institutions

- ☐ **Formula.** A funding model that is used by the legislature or state board of control for any of the following purposes: determining total appropriation requests, determining total appropriation levels or distribution of appropriations of individual campuses.
- ☐ **Decision Package.** The legislature provides a basic appropriation based on a fixed percentage of the previous year's funding and with additions made for particular options and campuses.
- ☐ **% Across the Board.** All institutions are given identical percentage adjustments.
- ☐ **Market.** All institutions lobby and present their cases for funding increases in a competitive/legislative atmosphere.
- ☐ **Combination.** The use of a combination of formula with other funding mechanisms.
- ☐ **Other.** None of the above apply to your state; please explain below.

2. Distribution of State Funds for Four-Year Institutions

- A. After the appropriations are enacted, who decides how funds are spent?
 - ☐ State Board of Control
 - ☐ Coordinating Boards
 - ☐ Institutional Autonomy
 - ☐ Combination of the above
 - ☐ Other
- B. What kind of detail (e.g., lump sum line items, specific allocations within an institution, language) is included within the appropriations bill? Please explain.

3. Governance Structure for Four-Year Institutions

- ☐ **Statewide Board of Control.** There is a central board of control responsible for all operations of the campuses. Members are selected by: [six options are offered.]
- ☐ **Coordinating Board.** There is a statewide coordinating board but a significant amount of autonomy is retained by the individual campus or institution. Members are selected by:
- ☐ **Multi-campus State System.** There is more than one institution and these institutions operate many campuses. Members are selected by: [six options are offered.]
- ☐ **Combination of Coordinating Board and Multi-campus State System.** Members are selected by: [six options are offered.]
- ☐ **Institutional Autonomy.** Institutions enjoy complete autonomy, with their own individual governing boards, and there is no mandatory coordinating function. Governing board members are selected by: [six options are offered.]

4. Number of Campuses

- ☐ **Four Year.** Includes all four-year institutions (and their campuses) and free-standing graduate programs including medical.
- ☐ **Two-Year Branch.** Branch campuses of four-year institutions.
- ☐ **Two-Year Public Community Colleges.**
- ☐ **Nonpublic.** All degree-granting nonpublic colleges and universities.

5. Special Items

- A. Does the state specifically appropriate for special items (other than Capital Outlay)?
☐ YES ☐ NO
- B. How are special items appropriated?
 - ☐ Line item
 - ☐ Component of funding formula
 - ☐ Statements of legislative intent
 - ☐ Separate bills
- C. What are these items (check all that apply)
 - ☐ Instructional equipment and training
 - ☐ Library acquisitions
 - ☐ Technology
 - ☐ Student financial aid
 - ☐ Other

6. Capital Improvements

- A. Does the state finance major capital improvements? ☐ YES ☐ NO
- B. Is there any institution match required? ☐ YES ☐ NO
If yes, how much? _____
- C. What is the schedule for the capital improvement process?
 - ☐ Annually
 - ☐ Each budget cycle
 - ☐ Other
- D. Who initiates the capital improvement process?
 - ☐ Institution
 - ☐ Governor
 - ☐ Legislature
 - ☐ State Board of Control
 - ☐ Combination
- E. How are capital improvements appropriated?
 - ☐ **Separate.** Capital funds are appropriated separately from operating funds.
 - ☐ **Included.** Capital funds are included with operating fund appropriations.
- F. How are capital projects financed?
 - ☐ Bonds – What Type?
 - ☐ General Funds of the institution
 - ☐ Part of annual legislative appropriations
 - ☐ Other state revenue sources
 - ☐ Other
- G. What is the process for capital improvement funding?
 - ☐ Institutions compete for projects and funds.
 - ☐ Formula for capital improvements, based on:
 - ☐ Enrollment changes (+/-)
 - ☐ Need
 - ☐ Age of current facilities

- ☐ Set amount given to all institutions regardless of need or request.
☐ Other

H. Does the state finance building maintenance through the Capital Outlay process? ☐ YES ☐ NO

If yes, please explain how the maintenance funds are distributed.

7. Aid to Nonpublics. Does the state provide support to nonpublic institutions?

☐ YES ☐ NO If yes, in what form:

☐ **Direct Institutional Aid.** Direct aid is provided to nonpublic institutions (funds provided for tuition assistance and which are paid directly to the institutions but which must be used to reduce tuition on a dollar-for-dollar basis are not classified as direct aid.).

☐ **Student Financial Aid.** Financial aid is available for students at private institutions either through general assistance programs or through programs limited solely to private school students.

Responses were received from all states except Illinois. The narrative comments contained within this report are largely taken verbatim from answers and supplemental documents provided by the respondents. No attempt was made to corroborate independently the responses provided by the states. Further, some terminology may differ from state to state. The questionnaire was developed with this in mind and reflects an attempt to be as general as possible while still providing a complete picture of each state's higher education system. The reader should keep in mind some of these inherent limits in a report of this scope.

A note on the format of this report:

Seven sections and two appendices follow this introduction. Each section corresponds to the question of the same number (Question 1 = Section 1) and includes a narrative summary of the replies to the question, the complete chart of responses, and any maps of interest. The first appendix consists of individual state responses to all of the questions and any comments offered by the respondents, in alphabetical order. The second appendix is a copy of the survey questionnaire that was sent to the respondents.

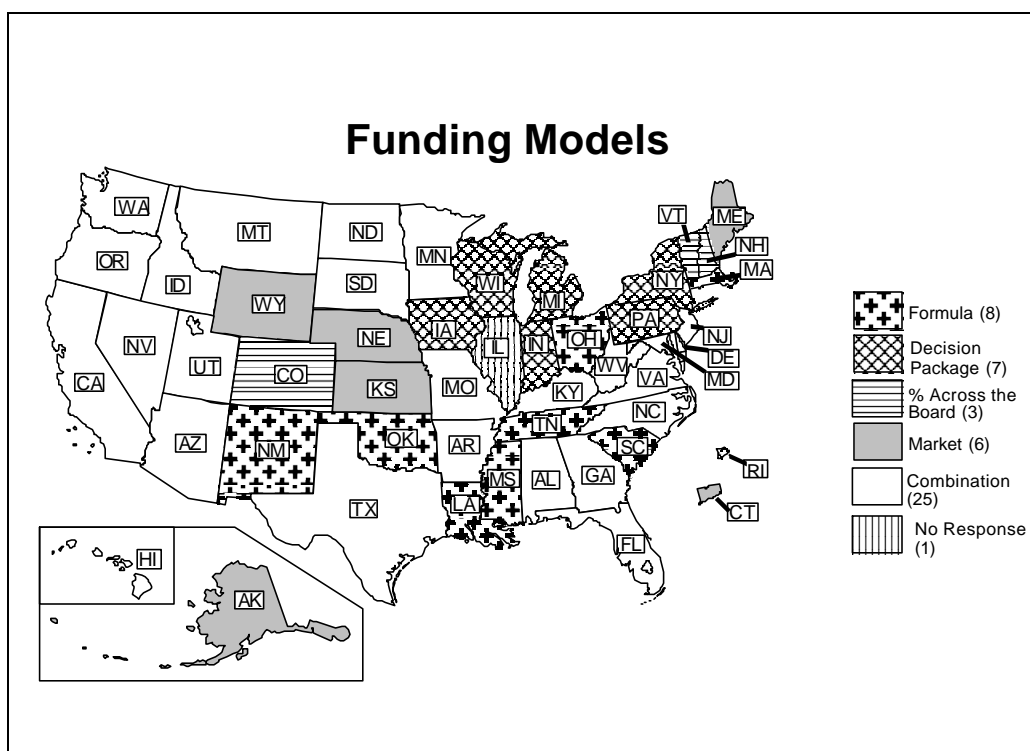
SECTION 1: FUNDING MODEL FOR FOUR-YEAR INSTITUTIONS

The funding mechanisms used by the states to fund higher education vary greatly. In fact, each state uses a unique method or formula. This poses a problem when a survey of this nature is conducted, and required the use of general classifications.

It is of little surprise, then, that the most prevalent response was combination. Twenty-five states use a combination of methods when funding higher education. Nineteen of these 25 states' combinations include some use of a formula. Most often a formula is paired with a decision package method, as is the case in 18 states. Another five states combine the use of a formula or decision package with a "percent across-the-board" increase or market/legislative competition method. Two states did not provide specifics as to the nature of their combinations. It is interesting to note that all states west of Colorado use a combination of methods.

The use of a formula as the sole method of funding is found in only eight states. These states are concentrated in the southern United States as six of the eight are below the Mason-Dixon Line. Three states employ a "percent across-the-board" method of higher education funding. New England neighbors New Hampshire and Vermont are two of the three "percent across the board" states. Six states employ a market/legislative competition method of funding for their higher education institutions.

Michigan is among the seven states that use a decision package method of higher education funding. Three of Michigan's neighboring Great Lakes states also employ the decision package method: Indiana, Wisconsin and Pennsylvania. Of the other Great Lakes states, Minnesota falls into the combination category, while Ohio is one of the few nonsouthern states to use a pure formula method of funding.



SECTION 1: FUNDING MODEL

State	Formula ¹	Decision Package ²	% Across-the-Board ³	Market ⁴	Combo ⁵
Alabama					X
Alaska				X	
Arizona					X
Arkansas					X
California					X
Colorado			X		
Connecticut				X	
Delaware					X
Florida					X
Georgia					X
Hawaii					X
Idaho					X
Iowa		X			
Illinois	No Response				
Indiana		X			
Kansas				X	
Kentucky					X
Louisiana	X				
Maine				X	
Maryland					X
Massachusetts	X				
Michigan		X			
Minnesota					X
Mississippi	X				
Missouri					X
Montana					X
Nebraska				X	
Nevada					X
New Hampshire			X		
New Jersey					X
New Mexico	X				
New York		X			
North Carolina					X
North Dakota					X
Ohio	X				

State	Formula ¹	Decision Package ²	% Across-the-Board ³	Market ⁴	Combo ⁵
Oklahoma	X				
Oregon					X
Pennsylvania		X			
Rhode Island		X			
South Carolina	X				
South Dakota					X
Tennessee	X				
Texas					X
Utah					X
Vermont			X		
Virginia					X
Washington					X
West Virginia					X
Wisconsin		X			
Wyoming				X	
Total	8	7	3	6	25
<p>1) Formula = A funding model is used by the legislature or state board of control for any of the following purposes: determining total appropriation requests, determining total appropriation levels, or distributing appropriations to individual campuses.</p> <p>2) Decision Package = The legislature provides a basic appropriation based on a fixed percentage of the previous year's funding, with additions made for particular options and campuses.</p> <p>3) Percent Across the Board = All institutions are given identical percentage adjustments.</p> <p>4) Market = All institutions lobby and present their cases for funding increases in a competitive/legislative atmosphere.</p> <p>5) Combination = Use of a formula with other funding mechanisms such as decision package or market; please see individual state data for specifics.</p>					

SECTION 2: DISTRIBUTION OF STATE FUNDS AT FOUR-YEAR INSTITUTIONS

Michigan is among a plurality of states, 20, that allow institutions to control the funds that are appropriated to them by their legislatures. Most of the same states also provide a fair amount of flexibility to the institutions by using lump-sum appropriation line items. (Please see individual state data in Appendix A for comments on each state's appropriation detail.) Thirteen state legislatures vest control of appropriated funds in a statewide board of control. The state boards of control in these 13 states generally enjoy the same amount of flexibility as the institutions in the 20 states that allow institutional autonomy.

Another 10 states provide for a combination of institutional and state board control. These states often have multiple state boards of control (more than one state system) or have a statewide coordinating board that sets broad policy and spending goals and allows institutions to retain a fair amount of control. Only two states, Maine and New Mexico, vest full control of appropriated funds in their state coordinating boards. Two other states, Maryland and New York, employ other means of fund control. These two states have strict funding language and allow a number of governmental, controlling board, and institutional parties to influence and make budget decisions.

Among Michigan's neighboring Great Lake states only Indiana also allows institutional autonomy in budget setting. Minnesota and Wisconsin vest authority in their state boards while Ohio and Pennsylvania provide for a combination of budget control authorities.

2. Distribution of State Funds after Appropriations; Who Decides How Funds are Spent?

State	Statewide Board of Control	Coordinating Board	Institutional Autonomy	Combo ¹	Other ¹
Alabama			X		
Alaska	X				
Arizona			X		
Arkansas			X		
California				X	
Colorado				X	
Connecticut			X		
Delaware			X		
Florida	X				
Georgia	X				
Hawaii			X		
Idaho				X	
Iowa	X				
Illinois	No Response				
Indiana			X		
Kansas			X		

State	Statewide Board of Control	Coordinating Board	Institutional Autonomy	Combo ¹	Other ¹
Kentucky			X		
Louisiana				X	
Maine		X			
Maryland					X
Massachusetts			X		
Michigan			X		
Minnesota	X				
Mississippi	X				
Missouri			X		
Montana	X				
Nebraska				X	
Nevada	X				
New Hampshire	X				
New Jersey			X		
New Mexico		X			
New York					X
North Carolina	X				
North Dakota				X	
Ohio				X	
Oklahoma	X				
Oregon	X				
Pennsylvania				X	
Rhode Island	X				
South Carolina			X		
South Dakota				X	
Tennessee			X		
Texas				X	
Utah			X		
Vermont			X		
Virginia			X		
Washington			X		
West Virginia	X				
Wisconsin	X				
Wyoming			X		
Total	15	2	20	10	2
1) See individual state data for explanation.					

SECTION 3: GOVERNANCE STRUCTURE FOR FOUR-YEAR INSTITUTIONS

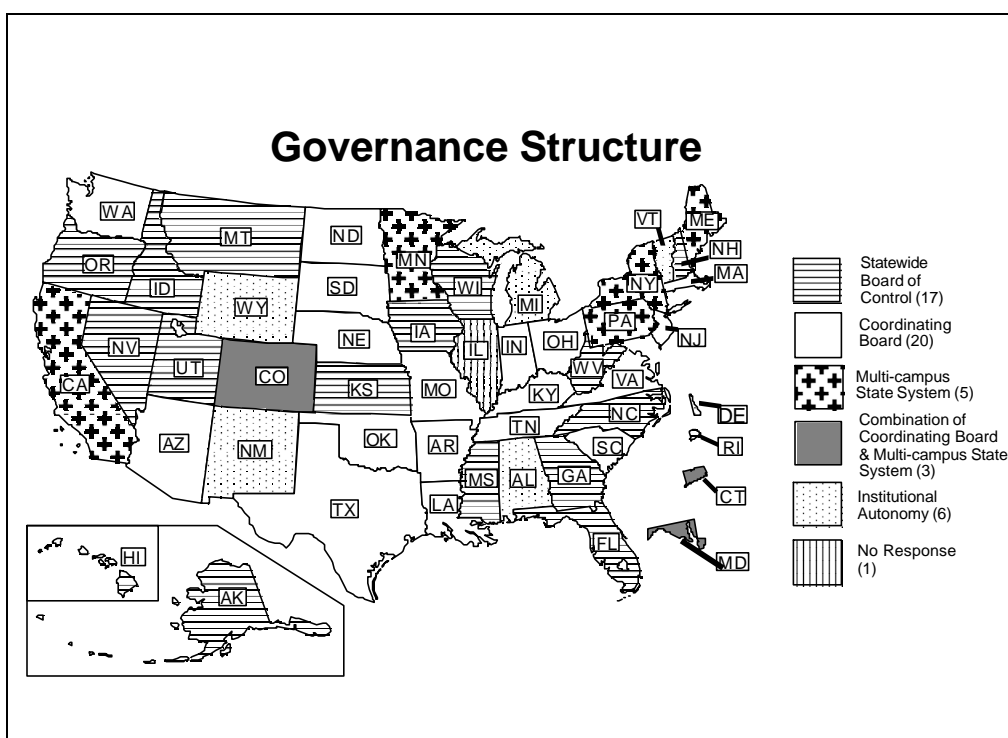
The higher education governance systems of the states provide an array of sharp contrasts. Much like the funding model question, the variety of governance structures requires the use of general classifications.

Michigan is one of six states that follow an institutional autonomy model. Further, Michigan is the only state with institutional autonomy that elects a portion of its institutional boards (those at Michigan State University, University of Michigan and Wayne State University). The remainder of Michigan's institutional boards are like those in three other institutional autonomy states where the governor appoints board members (Alabama, New Mexico, and Wyoming). Vermont also employs a mixed selection system; however, instead of using a statewide election, Vermont has both the legislature and the governor appoint members of the institutional board. Delaware, perhaps, has the most autonomous university system with only "legislative and executive oversight" to govern the higher education system.

One of the predominant governance structures is the coordinating board system, within 18 states. The selection methods for members of the coordinating boards are much more fluid than are their autonomous counterparts. All 18 of the coordinating board states' board members are appointed by their governor. Ohio also has board members appointed by its legislature. A statewide board(s) of control is the governance model in 18 states. The majority of these states also allow their governor to appoint the members of the state board of control. The only exceptions are North Carolina (all legislative appointments), Rhode Island (gubernatorial and legislative appointments), Nevada (local elections), and Nebraska (statewide election for University of Nebraska System, all others being gubernatorial appointment). Nebraska is the only state that falls into two governance structure categories: statewide board of control for the University of Nebraska system and coordinating board for Nebraska state colleges.

Five states follow a multi-campus state system model: California, Maine, Minnesota, New York, and Pennsylvania. Members of the boards in California and Minnesota are appointed by the governor and legislature. Maine gives the governor sole authority over board member appointment. The most unique selection model belongs to New York where members of the State University of New York System (SUNY) are appointed by the governor and members of the City University of New York System (CUNY) are appointed by the governor and the mayor of New York City. The states of Colorado, Connecticut, and Maryland employ a combination of coordinating board and multi-campus state system structures. All three states select some members of their boards via gubernatorial appointment. Only Maryland uses just gubernatorial appointment. Connecticut also allows for legislative appointments.

A majority of Michigan's neighboring Great Lakes states follow a coordinating board model: Indiana, Illinois and Ohio. Pennsylvania and Minnesota employ multi-campus state systems and Wisconsin has a statewide board of control. Michigan is also one of only four states that use elections as an instrument of board member selection. Michigan is joined by Colorado and Nebraska in selecting members of some boards with a statewide election. Nevada is the only state that elects all of its board members and it does so in local (district) elections.



3. Governance Structure (indicated by method of board selection, see key below)

Key for selection process:

GA = Gubernatorial appointment

LA = Legislative appointment

LE = Local election

MA = Municipal appointment

O = Other, see individual state data

SE = Statewide election

State	Statewide Board of Control ¹	Coordinating Board ²	Multi-campus State System ³	Combination of Coord./ Multi ⁴	Institutional Autonomy ⁵
Alabama					GA ⁶
Alaska	GA ⁶				
Arizona		GA			
Arkansas		GA			
California			GA/LA		
Colorado				SE/GA	
Connecticut				GA/LA	
Delaware					O
Florida	GA ⁶				
Georgia	GA				
Hawaii	GA				
Idaho	GA ⁶				
Iowa	GA				
Illinois	No Response				
Indiana		GA			
Kansas	GA				

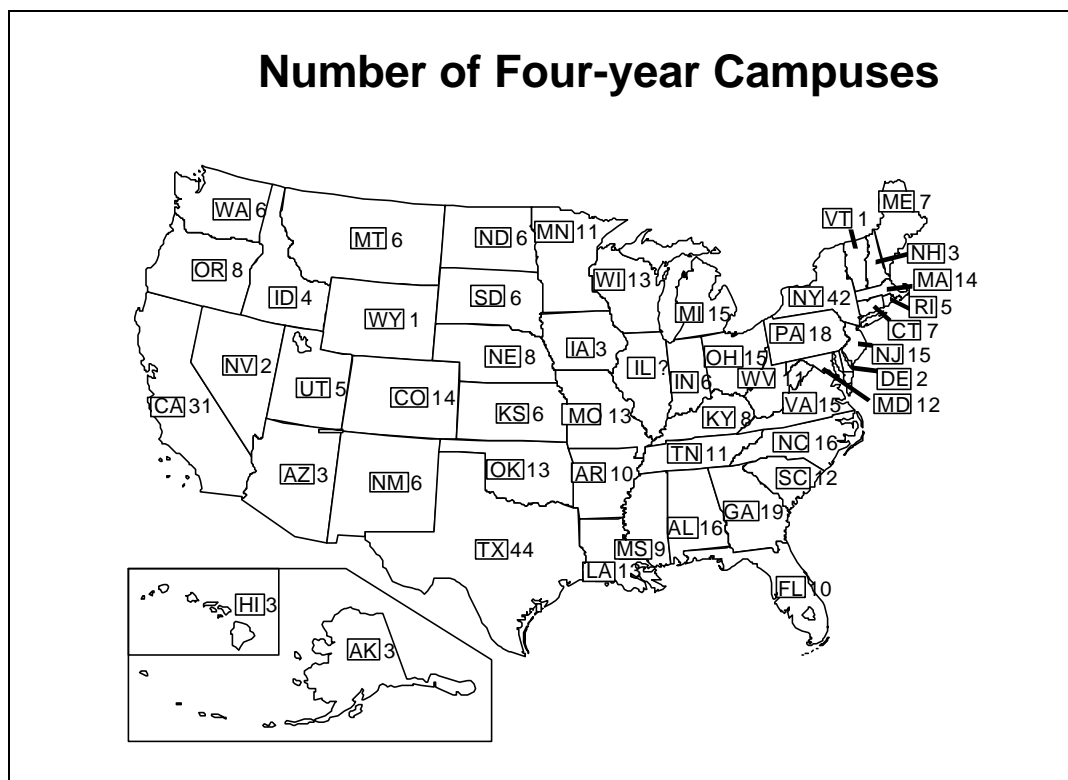
State	Statewide Board of Control¹	Coordinating Board²	Multi-campus State System³	Combination of Coord./ Multi⁴	Institutional Autonomy⁵
Kentucky		GA ⁶			
Louisiana		GA			
Maine			GA		
Maryland				GA	
Massachusetts		GA			
Michigan					SE/GA
Minnesota			GA/LA		
Mississippi	GA				
Missouri		GA			
Montana	GA				
Nebraska	SE	GA			
Nevada	LE				
New Hampshire	GE				
New Jersey		GA			
New Mexico					GA
New York			GA/MA ⁶		
North Carolina	LA				
North Dakota		GA ⁶			
Ohio		GA			
Oklahoma		GA/LA			
Oregon	GA ⁶				
Pennsylvania			GA		
Rhode Island	GA/LA				
South Carolina		GA			
South Dakota		GA			
Tennessee		GA ⁶			
Texas		GA			
Utah	GA				
Vermont					GA/LA
Virginia		GA			
Washington		GA			
West Virginia	GA				
Wisconsin	GA ⁶				
Wyoming					GA
Total	18	18	5	3	6
1) There is a central board of control responsible for all operations of the campuses. 2) There is a statewide coordinating board but a significant amount of autonomy is retained by the individual campus or institution. 3) There is more than one institution and these institutions operate many campuses. 4) There is a combination of the coordinating board and multi-campus structures. 5) Institutions enjoy complete autonomy, with their own individual governing boards, and there is no mandatory coordinating function. 6) Requires confirmation of state senate or legislature.					

SECTION 4: NUMBER OF CAMPUSES

For the most part, the size of a state's higher education system follows its population and geographical size. The data collected reflect the actual number of campuses in each state (including states that have a statewide university system or multi-campus system).

Going strictly by the numbers, Texas has the largest public university system with 44 campuses. Texas is followed by New York with 42 campuses and California with 31 campuses. In contrast, the smallest public university systems are found in Vermont and Wyoming, each of which has one campus. Delaware and Nevada rank as having the second smallest public university systems with two campuses each, and five states come in third with three campuses apiece.

In terms of system size and number of campuses, Michigan falls almost perfectly at the median number with 15. Most of Michigan's neighboring Great Lakes states have systems of similar size, with Pennsylvania having the most campuses at 18 and Indiana the fewest campuses at six. Falling in between are Ohio with 15 campuses, Wisconsin with 13 campuses, and Minnesota with 11 campuses.



State	Four Year	Two-Year Branch	Two-Year Community Colleges	All Nonpublics ¹
Alabama	16	0	21	15
Alaska	3	12		
Arizona	3		multiple	
Arkansas	10	5	17	12
California	31	0	101	390 +
Colorado	14		17	
Connecticut	7	5	1	17
Delaware	2		1	3
Florida	10	18	28	233
Georgia	19		15	
Hawaii	3		7	
Idaho	4	0	2	4
Iowa	3	0	15	41
Illinois	No Response			
Indiana	6	9	13	33
Kansas	6	0	19	17
Kentucky	8		14	26
Louisiana	13	3	6	n/a
Maine	7	0	7	
Maryland	12		18	15
Massachusetts	14		15	86
Michigan	15		28	53
Minnesota	11		28	100 +
Mississippi	9	8	15	10
Missouri	13	1	17	26
Montana	6	5	3	3
Nebraska	8		6	16
Nevada	2		4	2
New Hampshire	3			
New Jersey	15	0	26	28
New Mexico	6	10	9	
New York	42	5	36	181
North Carolina	16	0	58	36
North Dakota	6	1	4	2
Ohio	15	24	23	70
Oklahoma	13	7	12	13
Oregon	8	0	17	29
Pennsylvania	18		14	
Rhode Island	5	0	3	9

State	Four Year	Two-Year Branch	Two-Year Community Colleges	All Nonpublics¹
South Carolina	12	5	16	25
South Dakota	6			
Tennessee	11		14	35
Texas	44		50	43
Utah	5	5	4	3
Vermont	1		4	
Virginia	15	1	23	
Washington	6	5	33	15
West Virginia	11	2	10	10
Wisconsin	13		13	21 +
Wyoming	1	0	7	3
1) Includes only degree-granting institutions.				

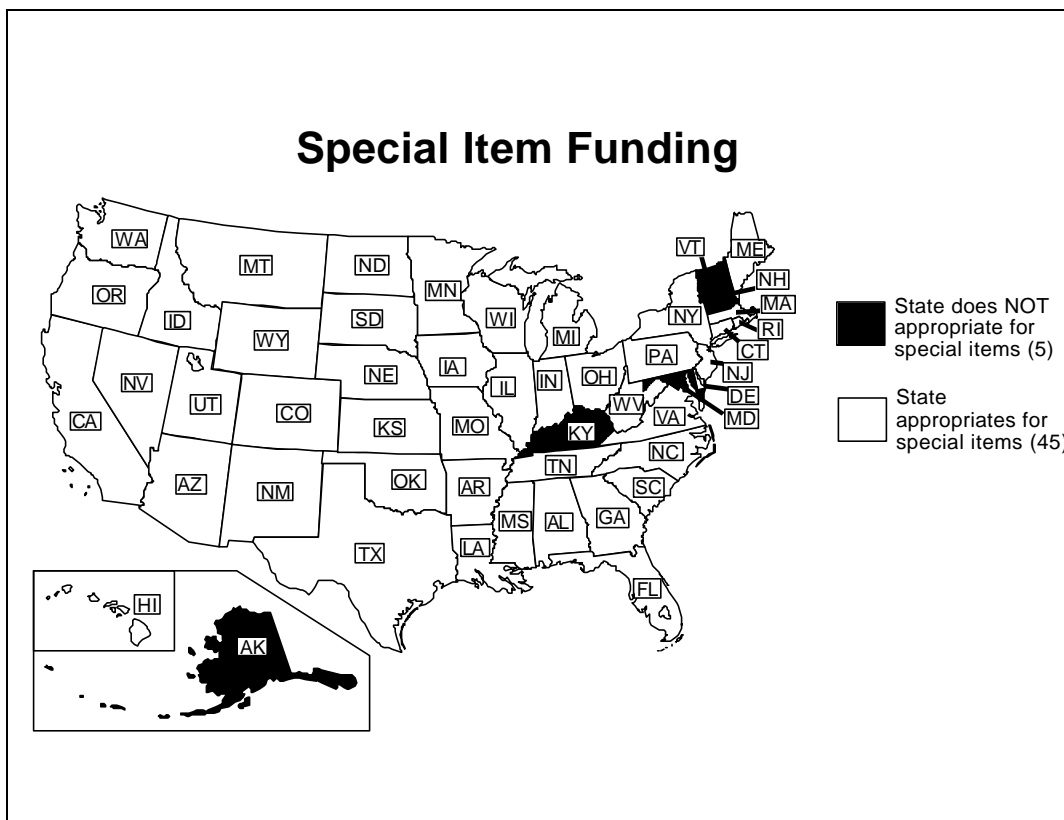
SECTION 5: SPECIAL ITEM FUNDING

An overwhelming majority of states, 45, appropriate for special items in their higher education systems. Only five states do not provide funding for special items: Alaska, Kentucky, Maryland, New Hampshire, and Vermont.

The states that provide special item funding use a number of different legislative funding tools to appropriate the funds. The most commonly used method is line-item appropriations, with 34 states using this mechanism. The second most common method is the use of statements of legislative intent, which 27 states employ. Separate bills are used in 17 states and four states provide special item funding as a component of their funding formula.

A number of different projects, programs, and equipment can fall under the special item funding heading. Again, the use of general classifications is called for and helps to give an idea of what states are determining to be funding priorities. The most common special item that is funded is technology, with 33 states funding this item. Twenty-four states fund student financial aid as a special item. Instructional equipment and training are supported with special item funding in 20 states, and 13 states provide special funding for library acquisitions.

All of Michigan's neighboring Great Lakes states provide special item funding. Every one of the funding tools is used at least once in the Great Lakes region. The same holds for the item classifications as they are all funded at least once in the region.



A. Does the state specifically appropriate special items (other than capital outlay)?

State	Yes	No
Alabama	X	
Alaska		X
Arizona	X	
Arkansas	X	
California	X	
Colorado	X	
Connecticut	X	
Delaware	X	
Florida	X	
Georgia	X	
Hawaii	X	
Idaho	X	
Iowa	X	
Illinois	X	
Indiana	X	
Kansas	X	
Kentucky		X
Louisiana	X	
Maine	X	
Maryland		X
Massachusetts	X	
Michigan	X	
Minnesota	X	
Mississippi	X	
Missouri	X	
Montana	X	
Nebraska	X	
Nevada	X	
New Hampshire		X
New Jersey	X	
New Mexico	X	
New York	X	
North Carolina	X	
North Dakota	X	
Ohio	X	
Oklahoma	X	
Oregon	X	
Pennsylvania	X	
Rhode Island	X	
South Carolina	X	

State	Yes	No
South Dakota	X	
Tennessee	X	
Texas	X	
Utah	X	
Vermont		X
Virginia	X	
Washington	X	
West Virginia	X	
Wisconsin	X	
Wyoming	X	
Total	45	5

B. How special items are appropriated (may be more than one response):

State	Line Item	Component of Funding Formula	Statements of Legislative Intent	Separate Bills
Alabama	X		X	
Alaska	N/A			
Arizona	X			
Arkansas	X			X
California	X	X	X	X
Colorado	X		X	
Connecticut			X	
Delaware	X		X	
Florida	X			
Georgia			X	
Hawaii			X	X
Idaho	X			
Iowa	X		X	X
Illinois	No Response			
Indiana	X			
Kansas	X		X	
Kentucky	N/A			
Louisiana	X			
Maine				X
Maryland	N/A			
Massachusetts	X			X
Michigan	X		X	X
Minnesota	X		X	
Mississippi	X		X	X
Missouri	X			X
Montana	X		X	X

State	Line Item	Component of Funding Formula	Statements of Legislative Intent	Separate Bills
Nebraska			X	
Nevada	X			X
New Hampshire N/A				
New Jersey	X		X	X
New Mexico	X			
New York	X			X
North Carolina			X	
North Dakota	X		X	
Ohio	X			
Oklahoma			X	
Oregon	X		X	X
Pennsylvania	X	X		
Rhode Island			X	
South Carolina	X			
South Dakota	X	X	X	X
Tennessee			X	
Texas			X	
Utah	X			X
Vermont N/A				
Virginia	X		X	
Washington	X			
West Virginia	X	X	X	X
Wisconsin	X		X	
Wyoming	X		X	
Total	34	4	27	17

C. Specific appropriation categories

State	Instructional Equipment and Training	Library Acquisitions	Technology	Student Financial Aid	Other ¹
Alabama	X	X	X		
Alaska N/A					
Arizona					X
Arkansas	X	X	X		X
California			X	X	X
Colorado			X	X	X
Connecticut					X
Delaware	X	X	X	X	
Florida			X	X	
Georgia	X		X		
Hawaii	X		X		X

State	Instructional Equipment and Training	Library Acquisitions	Technology	Student Financial Aid	Other ¹
Idaho					X
Iowa		X	X		
Illinois	No Response				
Indiana			X	X	X
Kansas			X		
Kentucky N/A					
Louisiana	X	X	X		
Maine					X
Maryland N/A					
Massachusetts		X	X	X	X
Michigan			X	X	X
Minnesota	X	X	X		X
Mississippi	X			X	X
Missouri					X
Montana				X	X
Nebraska			X	X	
Nevada					X
New Hampshire N/A					
New Jersey	X		X	X	X
New Mexico			X	X	X
New York			X	X	X
North Carolina	X	X	X	X	
North Dakota				X	X
Ohio	X		X	X	X
Oklahoma				X	
Oregon			X		X
Pennsylvania	X		X		
Rhode Island			X		
South Carolina	X	X	X	X	
South Dakota	X		X		
Tennessee	X				
Texas	X	X	X	X	X
Utah	X	X	X	X	X
Vermont N/A					
Virginia	X		X	X	X
Washington			X	X	X
West Virginia	X	X	X	X	X
Wisconsin	X	X	X	X	X
Wyoming			X		X
Total	20	13	33	24	29
1) See individual state data for explanation.					

SECTION 6: CAPITAL OUTLAY IMPROVEMENTS

Every state in the Union provides funding for higher education-related capital outlay projects. This question produced the largest number of subquestions and subsequent data charts. This section provides an in-depth view of the capital outlay picture across the country and even more information, on a state-by-state basis, can be found in Appendix A. It is interesting to note that most states (40) use the same method of project selection, competition. The summary below highlights two of the largest issues related to capital outlay in the higher education arena: match requirements and capital outlay schedules.

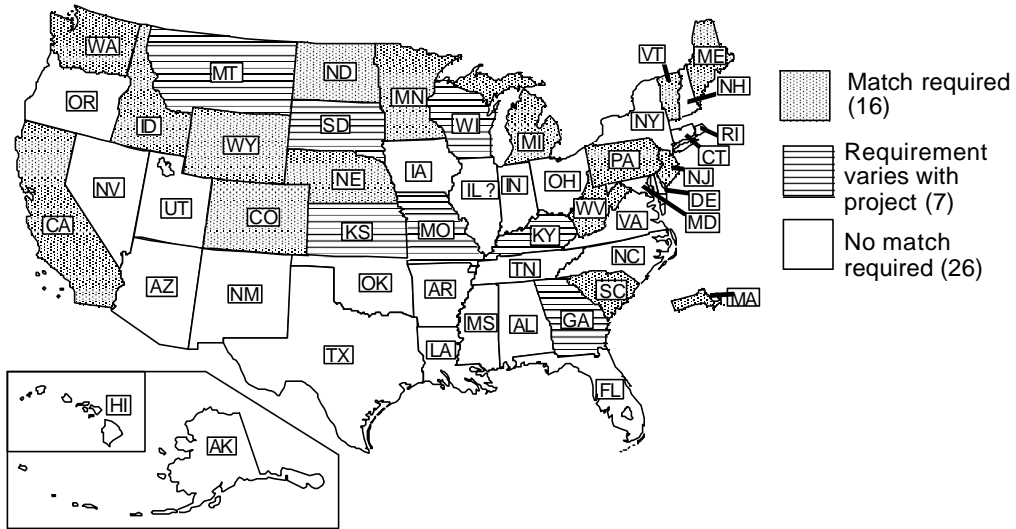
Twenty-six states do not require an institutional match when funding a higher education capital outlay project. Michigan is among 16 states that do require an institutional match for capital outlay projects. Ten of these 16 states do not have a set equation for determining the institution's match and, as a result, the amount of the match varies from project to project. Another two of these 16 require a match only for community or technical colleges (California and South Carolina). Michigan falls with three other states among the 16 that have a set equation for determining the institutional match. Minnesota and West Virginia require a percentage of the debt service to be paid by the institution, 33% and 100%, respectively. Massachusetts requires a match of 25% of the total project cost for academic buildings and 50% for nonacademic buildings. Michigan requires universities to match 25% of the total authorized project cost and community colleges to provide 50% (note: community colleges in Michigan also have local funding sources). Seven states have a varying match requirement and determine if a match will be required and the amount of the match, on a project-by-project basis.

Capital outlay projects are authorized and appropriated within each budget cycle in 20 states. Another 15 states authorize and fund projects annually. Michigan and 13 other states authorize and make appropriations for capital outlay projects on a periodic basis.

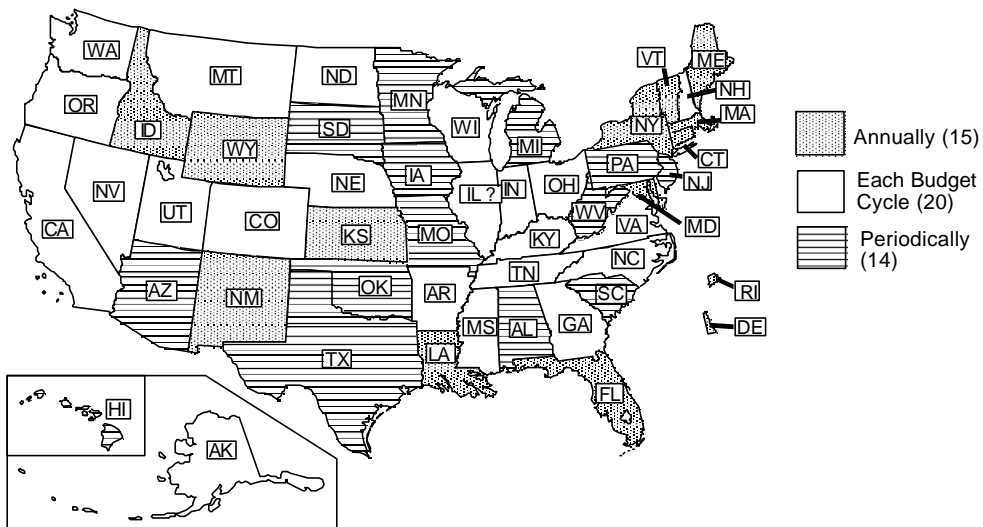
Among Michigan's neighboring Great Lakes states, Pennsylvania and Minnesota are exactly like Michigan, requiring a match and authorizing projects on a periodic basis. Ohio and Indiana do not require a match and authorize projects in each budget cycle. Wisconsin has a varying requirement and authorizes projects in each budget cycle.

It should be noted that although every state provides funding for higher education-related capital outlay projects, individual higher education institutions may also be able to finance capital projects on their own, as is the case in Michigan.

Capital Outlay Match Requirement



Capital Outlay Schedule



A. Does the state finance major capital improvements?

State	Yes	No
Alabama	X	
Alaska	X	
Arizona	X	
Arkansas	X	
California	X	
Colorado	X	
Connecticut	X	
Delaware	X	
Florida	X	
Georgia	X	
Hawaii	X	
Idaho	X	
Iowa	X	
Illinois	No Response	
Indiana	X	
Kansas	X	
Kentucky	X	
Louisiana	X	
Maine	X	
Maryland	X	
Massachusetts	X	
Michigan	X	
Minnesota	X	
Mississippi	X	
Missouri	X	
Montana	X	
Nebraska	X	
Nevada	X	
New Hampshire	X	
New Jersey	X	
New Mexico	X	
New York	X	
North Carolina	X	
North Dakota	X	
Ohio	X	
Oklahoma	X	
Oregon	X	
Pennsylvania	X	
Rhode Island	X	
South Carolina	X	
South Dakota	X	

State	Yes	No
Tennessee	X	
Texas	X	
Utah	X	
Vermont	X	
Virginia	X	
Washington	X	
West Virginia	X	
Wisconsin	X	
Wyoming	X	
Total	49	0

B. Is an institution match required?

State	Yes	No
Alabama		X
Alaska		X
Arizona		X
Arkansas		X
California	X	
Colorado	X	
Connecticut		X
Delaware		X
Florida		X
Georgia	Varies w/Project	
Hawaii		X
Idaho	X	
Iowa		X
Illinois	No Response	
Indiana		X
Kansas	Varies w/Project	
Kentucky	Varies w/Project	
Louisiana		X
Maine	X	
Maryland		X
Massachusetts	X	
Michigan	X	
Minnesota	X	
Mississippi		X
Missouri	Varies w/Project	
Montana	Varies w/Project	
Nebraska	X	
Nevada		X
New Hampshire		X

State	Yes	No
New Jersey	X	
New Mexico		X
New York		X
North Carolina		X
North Dakota	X	
Ohio		X
Oklahoma		X
Oregon		X
Pennsylvania	X	
Rhode Island		X
South Carolina	X	
South Dakota	Varies w/Project	
Tennessee		X
Texas		X
Utah		X
Vermont	X	
Virginia		X
Washington	X	
West Virginia	X	
Wisconsin	Varies w/Project	
Wyoming	X	
Total	23*	26

***Note:** Seven states have a varying requirement.

C. Schedule for the capital improvement process

State	Annually	Each Budget Cycle	Periodically
Alabama			X
Alaska		X	
Arizona			X
Arkansas		X	
California		X	
Colorado		X	
Connecticut	X		
Delaware	X		
Florida	X		
Georgia		X	
Hawaii			X
Idaho	X		
Iowa			X
Illinois	No Response		
Indiana		X	
Kansas	X		

State	Annually	Each Budget Cycle	Periodically
Kentucky		X	
Louisiana	X		
Maine	X		
Maryland	X		
Massachusetts	X		
Michigan			X
Minnesota			X
Mississippi		X	
Missouri			X
Montana		X	
Nebraska		X	
Nevada		X	
New Hampshire		X	
New Jersey			X
New Mexico	X		
New York	X		
North Carolina		X	
North Dakota		X	
Ohio		X	
Oklahoma			X
Oregon		X	
Pennsylvania			X
Rhode Island	X		
South Carolina			X
South Dakota			X
Tennessee	X		
Texas			X
Utah		X	
Vermont	X		
Virginia		X	
Washington		X	
West Virginia			X
Wisconsin		X	
Wyoming	X		
Total	15	20	14

D. Who initiates the capital improvement process?

State	Institution	Governor	Legislature	State Board of Control/ Coord. Board	Combination ¹⁾
Alabama					X
Alaska				X	
Arizona					X
Arkansas				X	
California	X				
Colorado					X
Connecticut	X				
Delaware	X				
Florida					X
Georgia	X				
Hawaii					X
Idaho	X				
Iowa	X				
Illinois	No Response				
Indiana	X				
Kansas					X
Kentucky	X				
Louisiana	X				
Maine					X
Maryland		X			
Massachusetts				X	
Michigan					X
Minnesota					X
Mississippi					X
Missouri	X				
Montana					X
Nebraska		X			
Nevada	X				
New Hampshire	X				
New Jersey					X
New Mexico	X				
New York					X
North Carolina					X
North Dakota					X
Ohio					X
Oklahoma					X
Oregon	X				
Pennsylvania					X
Rhode Island				X	

State	Institution	Governor	Legislature	State Board of Control/ Coord. Board	Combination ¹⁾
South Carolina					X
South Dakota	X				
Tennessee					X
Texas					X
Utah	X				
Vermont	X				
Virginia		X			
Washington	X				
West Virginia					X
Wisconsin				X	
Wyoming	X				
Total	19	3	0	5	22
1) See individual state data for explanation.					

E. Are capital improvement funds appropriated with operating funds?

State	Separate	Included
Alabama	X	
Alaska	X	
Arizona	X	
Arkansas	X	
California	X	
Colorado	X	
Connecticut	X	
Delaware	X	
Florida	X	
Georgia	X	
Hawaii	X	
Idaho	X	
Iowa	X	
Illinois	No Response	
Indiana	X	
Kansas	X	
Kentucky	X	
Louisiana	X	
Maine	X	
Maryland	X	
Massachusetts	X	X
Michigan	X	
Minnesota	X	
Mississippi	N/A	N/A

State	Separate	Included
Missouri	X	
Montana	X	
Nebraska	X	
Nevada	X	
New Hampshire	X	
New Jersey	X	
New Mexico	X	
New York	X	
North Carolina	X	
North Dakota	X	
Ohio	X	
Oklahoma	X	
Oregon	X	
Pennsylvania	X	
Rhode Island	X	
South Carolina	X	
South Dakota	X	
Tennessee	X	
Texas	X	X
Utah	X	
Vermont	X	
Virginia	X	
Washington	X	
West Virginia	X	
Wisconsin	X	
Wyoming	X	
Total	48	2

F. Project financing by use of:

Key for Bond Type:

A = State Building Authority bond

G = General obligation bond

R = Revenue bond (revenue from either state or institution)

X = Specific bond type not given

State	Bonds	General Fund of Institution	Part of Annual Appropriation	Other State Revenue Sources	Other ¹⁾
Alabama	R				
Alaska	R		X		
Arizona	G				
Arkansas	G/R	X	X	X	
California	G		X	X	
Colorado			X		
Connecticut	G				
Delaware	G			X	

State	Bonds	General Fund of Institution	Part of Annual Appropriation	Other State Revenue Sources	Other ¹⁾
Florida	R		X	X	
Georgia	G				
Hawaii	G	X		X	
Idaho	R	X	X	X	
Iowa	R	X	X		
Illinois	No Response				
Indiana	R	X			
Kansas	X	X	X	X	
Kentucky	G				
Louisiana	G			X	
Maine	G/R	X	X		
Maryland	G/R				
Massachusetts	G	X	X		
Michigan	A		X	X	
Minnesota	G	X			
Mississippi	G				
Missouri		X	X	X	
Montana	G/R	X	X	X	
Nebraska	R	X	X	X	X
Nevada	G/R		X		
New Hampshire	G				
New Jersey	G/A	X	X		
New Mexico	G				X
New York	R		X		X
North Carolina	G/R		X		
North Dakota	R		X		
Ohio	G	X			
Oklahoma	G/R				
Oregon	G	X			
Pennsylvania	G				
Rhode Island	G/R				
South Carolina	G				X
South Dakota	R				
Tennessee	G/A	X	X		
Texas	R		X		
Utah	X				
Vermont	G				
Virginia	G		X		
Washington	G	X			X
West Virginia	R	X	X	X	
Wisconsin	G				X
Wyoming	R		X		
Total	47	18	24	13	6
1) See individual state data for explanation.					

G. Decisions for project funding based on:

Key for formula basis:

A = age of current facilities

E = enrollment changes (+ /-)

N = need

X = formula basis not given

State	Competitive process	Formula	Base amount to all institutions	Other¹
Alabama				X
Alaska	X			
Arizona	X	A		
Arkansas	X			
California	X			
Colorado	X			
Connecticut	X			
Delaware	X			
Florida				X
Georgia	X			
Hawaii	X			
Idaho	X			
Iowa	X			
Illinois	No Response			
Indiana	X			
Kansas	X			
Kentucky				X
Louisiana	X			
Maine	X			
Maryland	X			
Massachusetts	X			X
Michigan	X			
Minnesota	X			
Mississippi	X			
Missouri	X			
Montana	X			
Nebraska	X			
Nevada	X			
New Hampshire				X
New Jersey		N	X	
New Mexico	X			
New York	X			X
North Carolina				X
North Dakota	X			
Ohio		E/A/N		

State	Competitive process	Formula	Base amount to all institutions	Other ¹
Oklahoma		N		
Oregon	X			
Pennsylvania	X			
Rhode Island	X			
South Carolina	X			
South Dakota	X			
Tennessee	X			
Texas	X	A/N		
Utah		X		
Vermont	X			
Virginia	X			
Washington	X			
West Virginia	X			X
Wisconsin	X			
Wyoming	X			
Total	40	6	1	8
1) See individual state data for explanation.				

H. Is building maintenance financed through the capital improvement process?

State	Yes	No
Alabama		X
Alaska	X	
Arizona	X	
Arkansas	X	
California		X
Colorado	X	
Connecticut	X	
Delaware	X	
Florida	X	
Georgia		X
Hawaii	X	
Idaho	X	
Iowa	X	
Illinois	No Response	
Indiana	X	
Kansas		X
Kentucky	X	
Louisiana		X
Maine		X

State	Yes	No
Maryland	X	
Massachusetts		X
Michigan	X	
Minnesota		X
Mississippi	X	
Missouri	X	
Montana	X	
Nebraska	X	
Nevada		X
New Hampshire		X
New Jersey		X
New Mexico		X
New York		X
North Carolina	X	
North Dakota	X	
Ohio	X	
Oklahoma		X
Oregon	X	
Pennsylvania		X
Rhode Island		X
South Carolina	X	
South Dakota		X
Tennessee		X
Texas		X
Utah		X
Vermont		X
Virginia	X	
Washington		X
West Virginia	X	
Wisconsin	X	
Wyoming	X	
Total	27	22

Thirteen states do not provide state aid to nonpublic institutions. These 13 states tend to have the smaller public university systems. It is also interesting to note that the three youngest states, Alaska, Arizona and Hawaii, are among those that do not provide aid to nonpublic institutions.

All of Michigan's neighboring Great Lakes states provide aid to nonpublic institutions. Ohio and Pennsylvania mirror Michigan in offering both student financial aid and direct institutional aid. Indiana, Minnesota, and Wisconsin all provide only student financial aid.



A. Does the state provide aid to nonpublic institutions?

State	Yes	No
Alabama	X	
Alaska		X
Arizona		X
Arkansas	X	
California	X	
Colorado	X	
Connecticut	X	
Delaware		X
Florida	X	
Georgia	X	
Hawaii		X
Idaho	X	
Iowa	X	
Illinois	No Response	
Indiana	X	
Kansas	X	
Kentucky	X	
Louisiana	X	
Maine	X	
Maryland	X	
Massachusetts	X	
Michigan	X	
Minnesota	X	
Mississippi		X
Missouri	X	
Montana		X
Nebraska	X	
Nevada		X
New Hampshire	X	
New Jersey	X	
New Mexico	X	
New York	X	
North Carolina	X	
North Dakota	X	
Ohio	X	
Oklahoma		X
Oregon	X	
Pennsylvania	X	
Rhode Island		X

State	Yes	No
South Carolina	X	
South Dakota		X
Tennessee	X	
Texas	X	
Utah		X
Vermont		X
Virginia	X	
Washington	X	
West Virginia	X	
Wisconsin	X	
Wyoming		X
Total	36	13

B. If yes, aid is provided in what form?

State	Direct Institutional Aid¹	Student Financial Aid²
Alabama	X	X
Alaska	N/A	N/A
Arizona	N/A	N/A
Arkansas		X
California		X
Colorado		X
Connecticut		X
Delaware	N/A	N/A
Florida	X	X
Georgia	X	X
Hawaii	N/A	N/A
Idaho		X
Iowa		X
Illinois	No Response	
Indiana		X
Kansas		X
Kentucky		X
Louisiana	X	
Maine		X
Maryland	X	
Massachusetts		X
Michigan	X	X
Minnesota		X
Mississippi	N/A	N/A

State	Direct Institutional Aid¹	Student Financial Aid²
Missouri	X	X
Montana	N/A	N/A
Nebraska		X
Nevada	N/A	N/A
New Hampshire	X	X
New Jersey	X	X
New Mexico		X
New York	X	X
North Carolina		X
North Dakota		X
Ohio	X	X
Oklahoma	N/A	N/A
Oregon	X	X
Pennsylvania	X	X
Rhode Island	N/A	N/A
South Carolina		X
South Dakota	N/A	N/A
Tennessee	X	X
Texas	X	X
Utah	N/A	N/A
Vermont	N/A	N/A
Virginia		X
Washington		X
West Virginia		X
Wisconsin		X
Wyoming	N/A	N/A
Total	15	34
<p>1) Direct aid is provided to nonpublic institutions. Funds that are provided for tuition assistance, and which are paid directly to institutions but must be used to reduce tuition on a dollar-for-dollar basis, are classified as financial aid.</p> <p>2) Financial aid is available for students at private institutions either through general assistance programs or through programs limited solely to private school students.</p>		

APPENDIX A:
INDIVIDUAL STATE DATA

Data for: **Alabama**

Question	Responses
1. Funding Model	Combination; formula/market
2. Distribution of funds	Institutional autonomy
3. Governance structure	Institutional autonomy; Gubernatorial appointment
4. Number of campuses	4-year: 16; 2-year CC: 21; Nonpublics: 15
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item; Statements of legislative intent
C. What kind of items?	Instructional equipment; Library acquisitions; Technology
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required?	No
C. Schedule	Periodically
D. Process initiated by	Combination; Governor/Legislature
E. How are funds appropriated?	Separate
F. Projects financed with	Revenue bonds
G. Funding process	Varies with act
H. Building maintenance included?	No
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Direct institutional aid; Student financial aid

Comments:

1. The Commission on Higher Education uses a formula funding model to develop a unified budget request. The legislature can use this request or adopt its own budget.
3. Under Institutional autonomy: Some boards are self-perpetuating and the board members nominate new trustees but the governor appoints the other trustees and the Senate must confirm them.
- 6, H. Periodically, maintenance and repairs are provided for through line-item appropriations.

Data for: **Alaska**

Question	Responses
1. Funding Model	Market
2. Distribution of funds	State Board of Control
3. Governance structure	State Board of Control; Gubernatorial appointment
4. Number of campuses	4-year: 3; 2-year branch: 12
5. <u>Special Items:</u>	
A. Are they appropriated?	No
B. How are they appropriated?	N/A
C. What kind of items?	N/A
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required?	No
C. Schedule	Each budget cycle
D. Process initiated by	State Board of Control
E. How are funds appropriated?	Separate
F. Projects financed with	Revenue bonds; Part of annual appropriations
G. Funding process	competition
H. Building maintenance included?	Yes
7. <u>State Aid for Nonpublic Institutions</u>	No
What type?	N/A

Comments:

- 2. The University of Alaska is appropriated a lump sum that is distributed to the campuses by the State Board of Control.
- 6, H. Building maintenance is prioritized on a project-by-project basis.

Data for: **Arizona**

Question	Responses
1. Funding Model	Combination; formula/decision package
2. Distribution of funds	Institutional autonomy
3. Governance structure	Coordinating Board; Gubernatorial appointment
4. Number of campuses	4-year: 3; 2-year CC: "multiple"
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item
C. What kind of items?	Other, issue-by-issue basis
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required?	No
C. Schedule	Periodically
D. Process initiated by	Combination
E. How are funds appropriated?	Separate
F. Projects financed with	General Obligation bonds
G. Funding process	Competition; Formula based on age and cost
H. Building maintenance included?	Yes
7. <u>State Aid for Nonpublic Institutions</u>	No
What type?	N/A

Comments:

1. Arizona uses a nonstatutory formula to fund enrollment growth and a decision package model for university budgets on an issue-by-issue basis.
2. Appropriation bill may contain various budget formats but Arizona universities typically receive lump sum appropriations by campus.
- 5, C. If the legislature wants to highlight funding for a specific issue, it may appropriate as a special line item.

Data for: **Arkansas**

Question	Responses
1. Funding Model	Combination; formula/decision package
2. Distribution of funds	Institutional autonomy
3. Governance structure	Coordinating Board; Gubernatorial appointment
4. Number of campuses	4-year: 10; 2-year branch: 5; 2-year CC:17; Nonpublic: 12
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item; Separate bills
C. What kind of items?	Instructional equipment; Library acquisitions; Technology
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required?	No
C. Schedule	Each budget cycle
D. Process initiated by	Higher Education Coordinating Board
E. How are funds appropriated?	Separate
F. Projects financed with	General Obligation and Revenue bonds; General funds; Part of appropriation; Other state revenue sources: surplus funds
G. Funding process	Competition
H. Building maintenance included?	Yes
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Student financial aid

Comments:

1. Separate appropriations for state funds and cash are made, each containing specific line items. Positions by title and the number of each are included. Special language is included in most acts. Each institution has a separate appropriation bill.

6, H. Building maintenance decisions made based on a facilities audit plan.

Data for: **California**

Question	Responses
1. Funding Model	Combination; formula/decision package
2. Distribution of funds	Combination; Coordinating Board/Institutional autonomy
3. Governance structure	Multi-campus State System; Gubernatorial and Legislative appointment
4. Number of campuses	4-year: 31; 2-year CC: 101; Nonpublic: + 390
5. <u>Special Items</u> :	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item; Component of funding formula; Statements of legislative intent; Separate bills
C. What kind of items?	Technology; Student financial aid; Other: outreach, student services and medical programs
6. <u>Capital Improvements</u> :	
A. Are they appropriated?	Yes
B. Institutional match required?	Yes, but only for community colleges
C. Schedule	Each budget cycle
D. Process initiated by	Institution
E. How are funds appropriated?	Separate
F. Projects financed with	General Obligation bonds; Part of appropriation; Other state revenue sources
G. Funding process	Competition
H. Building maintenance included?	No
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Student financial aid

Comments:

1. California employs a combination of funding formulas (based on full-time equated (FTE) enrollment), program enhancements and new initiatives (proposed by the systems, Legislature and Governor), and other negotiated funding decisions.

California (continued)

2. For the California State University System and University of California System, the budget bill includes lump sums appropriated for program objectives (program-based funding). However, the University of California System has the authority to re-allocate its resources. The University of California System and California State University System campuses allocate resources programmatically, based on internal understandings. The budget bill usually contains some "budget control" language, which has the power of law, directing a certain activity to occur. Or, a "supplemental report" is required, which expresses legislative intent and that certain activities occur. These clauses are also used to direct expenditures tied to nonbudget bill legislation. The California State University System and California Community College System receive many more directives of this nature than does the University of California System.
- 6, G. Each system develops its own internal five- to 10-year capital improvement plan and submits a certain number of projects to the state for review and inclusion in the annual budget bill. The systems then defend the projects in a legislative hearing and most projects proposed are funded. The legislature and governor occasionally pre-empt the process to establish their own priorities for capital outlay projects, such as: health and safety, earthquake retrofit and disability access.
7. Financial aid is awarded to students who are free to take it to any accredited institution through the "California Grant Award Program".

Data for: **Colorado**

Question	Responses
1. Funding Model	Percent across the board
2. Distribution of funds	Combination; Governing boards/Institutions
3. Governance structure	Combination of Coordinating Board and Multi-campus State System; Gubernatorial appointment and Statewide election for CU only
4. Number of campuses	4-year: 14; 2-year CC: 17; Nonpublics: N/A
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item; Statements of legislative intent
C. What kind of items?	Technology; Student financial aid; Other, exchange agreements; vocational education
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required?	Yes; amount varies by project
C. Schedule	Each budget cycle
D. Process initiated by	Combination; Institution/State Board/Governor/Legislature
E. How are funds appropriated?	Separate
F. Projects financed with	Part of appropriations
G. Funding process	Competition
H. Building maintenance included?	Yes
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Student financial aid

Comments:

- 6, H. The State Buildings Division prioritizes all controlled maintenance projects statewide including higher education.

Data for: **Connecticut**

Question	Responses
1. Funding Model	Market
2. Distribution of funds	Institutional Autonomy
3. Governance structure	Combination of Coordinating Board and Multi-campus State System; Gubernatorial and Legislative appointments
4. Number of campuses	4-year: 7; 2-year branch: 5; 2-year CC: 1; Nonpublics: 17
5. <u>Special Items</u> :	
A. Are they appropriated?	Yes
B. How are they appropriated?	Statements of legislative intent
C. What kind of items?	Other; funding to freeze tuition
6. <u>Capital Improvements</u> :	
A. Are they appropriated?	Yes
B. Institutional match required?	No
C. Schedule	Annually
D. Process initiated by	Institution
E. How are funds appropriated?	Separate
F. Projects financed with	General obligation bonds
G. Funding process	Competition
H. Building maintenance included?	Yes
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Student financial aid

Comments:

2. Each Connecticut institution of public higher education receives what is referred to as a "block grant". There is no detail included within the appropriations bill with regard to this single lump sum of funding. These institutions spend the block grant funding on personnel and positions since the State Comptroller's budget covers fringe benefits for all positions paid from the general fund. When funding is granted for positions associated with new facilities, these details are included in The Office of the Controller General's annual budget publication.

Connecticut (continued)

3. Under Combination of Coordinating Board and Multi-campus State System: The Board of Governors of Higher Education is made up of 11 members, seven of whom are appointed by the Governor and four of whom are appointed by the legislature. The University of Connecticut, the Connecticut State University System, and the Regional Community-Technical College System all have their own independent Board of Governors.
- 5, C. Student financial aid for public higher education is provided through the Department of Higher Education and not directly to the institutions.
- 6, H. Since public institutions of higher education have a significant number of facilities to maintain, they generally have accounts that are supported by bonds specifically for maintenance purposes. The institutions periodically make requests to the Bond Commission to draw down on these accounts in order to cover such costs.
7. The state provides financial aid to students of nonpublic institutions through the Department of Higher Education. Funds are appropriated to the department and then distributed to students who apply and meet requirements.

Data for: **Delaware**

Question	Responses
1. Funding Model	Combination; Decision package/%across the board
2. Distribution of funds	Institutional autonomy
3. Governance structure	Institutional autonomy; Legislative and Executive oversight
4. Number of campuses	4-year: 2; 2-year CC: 1; Nonpublics: 3
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item; Statements of legislative intent
C. What kind of items?	Instructional equipment; Library acquisitions; Technology; Student financial aid
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required?	No
C. Schedule	Annually
D. Process initiated by	Institution
E. How are funds appropriated?	Separate
F. Projects financed with	General obligation bonds; Other, state general funds
G. Funding process	Competition
H. Building maintenance included?	Yes
7. <u>State Aid for Nonpublic Institutions</u>	No
What type?	N/A

Comments:

2. Line-item appropriations are made for some items and programs. Others, including salary for state-supported positions are included in the operations budget. A budget epilogue is written to identify and direct particular funding issues.
- 6, H. Building maintenance funding is based on the institutions' requests and an equalization program that gives funding to all state institutions.
7. The State Scholarship Incentive Program has a need-based component and can be used for private or out-of-state institutions.

Data for: **Florida**

Question	Responses
1. Funding Model	Combination
2. Distribution of funds	State Board of Control
3. Governance structure	State Board of Control; Gubernatorial appointment
4. Number of campuses	4-year: 10; 2-year branch: 18; 2-year CC: 28; Nonpublics: 233
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item
C. What kind of items?	Technology; Student financial aid
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	No
C. Schedule	Annually
D. Process initiated by	Combination; Institution/State Board/Legislature
E. How are funds appropriated? . . .	Separate
F. Projects financed with	Revenue bonds; Part of appropriations; Other, student building fees
G. Funding process	Other, by state board request
H. Building maintenance included?	Yes
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Direct institutional aid; Student financial aid

Comments:

- 6, H. Building maintenance funds are distributed in lump sum fashion to the Board of Regents which then allocates to the individual campuses.
7. Recently, the Legislature constructed two facilities for two private colleges but gave ownership to a public university on the private college's campus. Most often direct aid is targeted to specific programs like recruitment and retention.

Data for: **Georgia**

Question	Responses
1. Funding Model	Combination; formula/decision package
2. Distribution of funds	State Board of Control
3. Governance structure	State Board of Control; Gubernatorial appointment
4. Number of campuses	4-year: 19; 2-year CC: 15
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated?	Statements of legislative intent
C. What kind of items?	Instructional equipment; Technology
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	Varies with project
C. Schedule	Each budget cycle
D. Process initiated by	Institution
E. How are funds appropriated? . . .	Separate
F. Projects financed with	General obligation bonds
G. Funding process	Competition
H. Building maintenance included?	No
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Direct institutional aid; Student financial aid

Comments:

1. Resident instruction is funded through an enrollment-driven formula. There are many other units within the total University System Budget such as a Public Service Institute and Cooperative Extension Service that are funded by traditional models.
2. There is a lump sum for instruction and specific line items for other programs and units.

Data for: **Hawaii**

Question	Responses
1. Funding Model	Combination; formula/decision package
2. Distribution of funds	Institutional autonomy
3. Governance structure	State Board of Control; Gubernatorial appointment
4. Number of campuses	4-year: 3; 2-year CC: 7
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated?	Statements of legislative intent; Separate bills
C. What kind of items?	Instructional equipment; Technology; Other, research projects
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	No
C. Schedule	Periodically
D. Process initiated by	Combination; Institution/Legislature/Governor
E. How are funds appropriated? . . .	Separate
F. Projects financed with	General obligation bonds; General funds; Other, special university funds
G. Funding process	Competition
H. Building maintenance included?	Yes
7. <u>State Aid for Nonpublic Institutions</u>	No
What type?	N/A

Comments:

1. The State of Hawaii, through Act 115; Session Laws of Hawaii 1998, appropriates funding to the University of Hawaii (and all lower campuses) through a decision package and market-based formula model.
2. Appropriations are reflected through lump sum line items by program ID numbers. For example, the University of Hawaii System has five program ID numbers, each program ID will have an appropriation amount categorized by means of financing.

Hawaii (continued)

4. Although Hawaii is a small state, the separation of islands makes educating difficult. Therefore, Oahu, the most populated island, has two four-year institutions and four two-year institutions and the island of Hawaii, the largest island, has one four-year institution and one two-year institution. The islands of Kauai and Maui each have a two-year institution.
- 5, C. Although the legislature does appropriate specific items, state law provides the University of Hawaii System with complete autonomy. There are times when the legislature-intended appropriation goes toward areas that the Board of Regents believes need more attention.
- 6, H. Building maintenance is provided in a limited manner; as long as the maintenance project will last for 20 years. The state tries to stay away from doing this because general funds are limited. However, if the maintenance must be done, the legislature will provide funding.

Data for: **Idaho**

Question	Responses
1. Funding Model	Combination; formula/percent across the board
2. Distribution of funds	Combination; State Board/Institutional
3. Governance structure	State Board of Control; Gubernatorial appointment
4. Number of campuses	4-year: 4; 2-year CC: 2; Nonpublics: 4
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item
C. What kind of items?	Other, technology incentive grants
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	Yes, amount varies
C. Schedule	Annually
D. Process initiated by	Institution
E. How are funds appropriated? . . .	Separate
F. Projects financed with	Revenue bonds; General funds; Part of appropriations; Other state revenue sources: building funds
G. Funding process	Competition
H. Building maintenance included?	Yes
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Student financial aid

Comments:

- Essentially, the allocation starts with the prior-year base funding percentage and then adds proportionally for those "maintenance" type increases and a formula based on enrollment for enhancements.
- The appropriations are in lump sum form and do not have any special designations.
- Under State Board of Control: Idaho has a single Board of Education for both K-12 and postsecondary education. The Board acts in both control and coordinating (strategic planning) functions.

Idaho (continued)

- 5, C. Idaho has a "Technology Incentive Grant" that attempts to foster collaboration and innovation in using technology to improve learning between institutions. This grant funds more than just equipment and software.
- 6, H. Building maintenance is classified as operating support of physical plant maintenance. This provides around 1.4% of value (general operating budget) and another 1.4% from a permanent building fund.
- 7. There are very limited opportunities for scholarships and work study for students attending private institutions.

Data for: **Indiana**

Question	Responses
1. Funding Model	Decision package
2. Distribution of funds	Institutional autonomy
3. Governance structure	Coordinating Board; Gubernatorial appointment
4. Number of campuses	4-year: 6; 2-year branch: 9; 2-year CC: 13; Nonpublics: 33
5. <u>Special Items</u> :	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item
C. What kind of items?	Technology; Student financial aid; Other, agriculture extension, medical education
6. <u>Capital Improvements</u> :	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	No
C. Schedule	Each budget cycle
D. Process initiated by	Institution
E. How are funds appropriated? . . .	Separate
F. Projects financed with	Revenue bonds; General funds
G. Funding process	Competition
H. Building maintenance included?	Yes
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Student financial aid

Comments:

2. There are generally only two numbers for each university appropriation: (1) the operating appropriation total and (2) the debt service appropriation total. Also, special purpose line-item appropriations cover areas such as agriculture extension and county agents.
- 6, H. Building maintenance is funded with a complex formula that allocates \$43 million a year for university infrastructure and facility repair/renovation. The formula considers age of facilities, replacement value, and previous renovations.

Data for: **Iowa**

Question	Responses
1. Funding Model	Decision package
2. Distribution of funds	State Board of Control
3. Governance structure	State Board of Control; Gubernatorial appointment
4. Number of campuses	4-year: 3; 2-year CC: 15; Nonpublics: 41
5. <u>Special Items</u> :	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item; Statements of legislative intent; Separate bills
C. What kind of items?	Library acquisitions; Technology
6. <u>Capital Improvements</u> :	
A. Are they appropriated?	Yes
B. Institutional match required?	No
C. Schedule	Periodically
D. Process initiated by	Institution
E. How are funds appropriated?	Separate
F. Projects financed with	Revenue bonds; General funds; Part of appropriations
G. Funding process	Competition
H. Building maintenance included?	Yes
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Student financial aid

Comments:

2. The appropriation bill typically contains an item list for new funding. For example, this year the University of Iowa received an increase of \$1,560,000 and 9.45 FTE positions compared with 1999, to be spent as follows: \$200,000 and 1.0 FTE for opening a new building; \$860,000 and 5.0 FTEs for improving undergraduate education; \$100,000 and 1.0 FTE for biosciences; \$100,000 and 1.65 FTEs for arts and humanities; and \$300,000 to improve natural science labs and classrooms and attract high quality new faculty to replace retiring faculty.
- 5, C. Most often they are not specifically appropriated. Usually they are specific allocations of the appropriation to the general university fund. Large initiatives are often made as separate appropriations.

Iowa (continued)

- 6, H. Building maintenance is funded on a need-basis as requested by the institutions. Major projects are funded through capital outlay. Institutions also receive building repair funds under general operating appropriations.
- 7. Student financial aid is awarded to qualifying students but is paid directly to the institutions.

Data for: **Kansas**

Question	Responses
1. Funding Model	Market
2. Distribution of funds	Institutional autonomy
3. Governance structure	State Board of Control; Gubernatorial appointment
4. Number of campuses	4-year: 6; 2-year CC: 19; Nonpublics: 17
5. <u>Special Items</u> :	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item; Statements of legislative intent
C. What kind of items?	Technology
6. <u>Capital Improvements</u> :	
A. Are they appropriated?	Yes
B. Institutional match required?	Varies by project
C. Schedule	Annually
D. Process initiated by	Combination; State Board/Governor/Legislature
E. How are funds appropriated?	Separate
F. Projects financed with	Bonds; General funds; Part of appropriations; Other state revenue sources
G. Funding process	Competition
H. Building maintenance included?	No
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Student financial aid

Comments:

1. Statewide Board of Regents approves individual campus budget requests submitted to the legislature and has substantial influence on the lobbying efforts of each institution.
2. Funding detail is limited to lump sum line items. Most institutions have one state general fund operating line item and the bill would include line items for other funds.
- 5, C. The legislature approved funding specifically for technology enhancements during the 1998 legislative session. The funding was appropriated to the Board of Regents and the Board was authorized to allocate the funding among the institutions.

Data for: **Kentucky**

Question	Responses
1. Funding Model	Combination; formula/market
2. Distribution of funds	Institutional autonomy
3. Governance structure	Coordinating Board; Gubernatorial appointment
4. Number of campuses	4-year: 8; 2-year CC: 14; Nonpublics: 26
5. <u>Special Items</u> :	
A. Are they appropriated?	No
B. How are they appropriated?	N/A
C. What kind of items?	N/A
6. <u>Capital Improvements</u> :	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	Yes, amount and requirement varies
C. Schedule	Each budget cycle
D. Process initiated by	Institution
E. How are funds appropriated? . . .	Separate
F. Projects financed with	General obligation bonds
G. Funding process	Other: coordinating board recommendations
H. Building maintenance included?	Yes
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Student financial aid

Comments:

1. The Council on Post-secondary Education (CPE) uses nine formulas based on national benchmarks to make a base funding recommendation. Additionally, the CPE makes recommendations for incentive trust funds and performance funds (some requiring institutional matches). The CPE recommendation is acted on by the governor and legislature.
2. Funding detail is mostly in lump sum form. However, capital projects and debt service are line items. Further, the CPE creates incentive trust funds that require an institutional match.
4. In a 1997 special session the General Assembly created a new branch that combined the 25 technical institutions and the 14 community colleges into one unit called the Kentucky Community and Technical College System (14 campuses remain after consolidation).

Data for: **Louisiana**

Question	Responses
1. Funding Model	Formula
2. Distribution of funds	Combination; Institutions/Coordinating Board
3. Governance structure	Coordinating Board; Gubernatorial appointment
4. Number of campuses	4-year: 13; 2-year branch: 3; 2-year CC: 6; Nonpublics: N/A
5. <u>Special Items</u> :	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item
C. What kind of items?	Instructional equipment; Library acquisitions; Technology
6. <u>Capital Improvements</u> :	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	No
C. Schedule	Annually
D. Process initiated by	Institution
E. How are funds appropriated? . . .	Separate
F. Projects financed with	General obligation bonds; Other state revenue sources: cash on hand
G. Funding process	Competition
H. Building maintenance included?	No
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Direct institutional aid

Comments:

- Each institution has the amount of "State General Fund" and "Total Financing" listed in the appropriations bill.

Data for: **Maine**

Question	Responses
1. Funding Model	Market
2. Distribution of funds	Coordinating Board
3. Governance structure	Multi-campus State System; Gubernatorial appointment
4. Number of campuses	4-year: 7; 2-year CC: 7; Nonpublics: N/A
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated?	Separate bills
C. What kind of items?	Other: varies by issue
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required?	Yes, amount varies
C. Schedule	Annually
D. Process initiated by	Combination; Governing Board/Governor
E. How are funds appropriated?	Separate
F. Projects financed with	General obligation and Revenue bonds; General funds; Part of appropriations
G. Funding process	Competition
H. Building maintenance included?	No
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Student Financial aid

Comments:

2. Funding detail is limited to one line which is the total appropriation amount.

Data for: **Maryland**

Question	Responses
1. Funding Model	Combination; formula/market
2. Distribution of funds	Other, state system sets guidelines
3. Governance structure	Combination of Coordinating Board and Multi-campus State System; Gubernatorial appointment
4. Number of campuses	4-year: 12; 2-year CC: 18; Nonpublics: 15
5. <u>Special Items</u> :	
A. Are they appropriated?	No
B. How are they appropriated?	N/A
C. What kind of items?	N/A
6. <u>Capital Improvements</u> :	
A. Are they appropriated?	Yes
B. Institutional match required?	No
C. Schedule	Annually
D. Process initiated by	Governor
E. How are funds appropriated?	Separate
F. Projects financed with	General obligation and Revenue bonds
G. Funding process	Competition
H. Building maintenance included?	Yes
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Direct institutional aid

Comments:

- Most four-year public higher education institutions operate under a market model. The University of Maryland System submits one budget request with the University of Maryland at College Park receiving special access to the request. Saint Mary's College, another public four-year institution, receives funding from a formula that is based on the Consumer Price Index.
- The four-year public institutions receive restricted and unrestricted fund appropriations in one place and the State General Fund allocation under another budget code. The General Fund appropriation is included in the unrestricted fund appropriation. By budgeting the State General Fund in another location, the University of Maryland Board of Regents has the power to move state funds among member institutions.

Maryland (continued)

- 6, H. Facilities renewal appropriations are done with academic revenue bonds approved by the General Assembly.
7. Each private campus receives a grant based on the State General Fund appropriations at 10 four-year public institutions. The grants give private campuses 16% of the appropriation of every FTE student at the 10 public institutions for every student they have.

Data for: **Massachusetts**

Question	Responses
1. Funding Model	Formula
2. Distribution of funds	Institutional autonomy
3. Governance structure	Coordinating Board; Gubernatorial appointment
4. Number of campuses	4-year: 14; 2-year CC: 15; Nonpublics: 86
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item; Separate bills
C. What kind of items?	Library acquisitions; Technology; Student financial aid; Other, performance reviews
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	Yes; 25% for academic buildings, 50% for nonacademic buildings
C. Schedule	Annually
D. Process initiated by	State Board of Control
E. How are funds appropriated? . . .	Separate and Included
F. Projects financed with	General obligation bonds; General funds; Part of appropriations
G. Funding process	Competition; Other, survey of conditions
H. Building maintenance included?	No
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Student Financial aid

Comments:

1. A performance funding component is being added to the formula for fiscal year 2001.
2. Funding detail is limited to lump sums with minimal earmarks.

Data for: **Michigan**

Question	Responses
1. Funding Model	Decision package
2. Distribution of funds	Institutional autonomy
3. Governance structure	Institutional autonomy; Statewide election and Gubernatorial appointment
4. Number of campuses	4-year: 15; 2-year CC: 28; Nonpublics: 53
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item; Statements of legislative intent; Separate bills
C. What kind of items?	Technology; Student financial aid; Other: state and regional programs
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required?	Yes; 25% for universities, 50% for community colleges
C. Schedule	Periodically
D. Process initiated by	Combination; Institution/Legislature/Governor
E. How are funds appropriated?	Separate
F. Projects financed with	State building authority bonds; Part of appropriations; Other state revenue sources: state general funds
G. Funding process	Competition
H. Building maintenance included?	Yes
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Direct institutional aid; Student financial aid

Comments:

6, H. Michigan does not have an established formula for building maintenance.

7. Michigan provides degree reimbursement grants to private institutions and a tuition grant program for private institution students.

Data for: **Minnesota**

Question	Responses
1. Funding Model	Combination; formula/market
2. Distribution of funds	State Board of Control
3. Governance structure	Multi-campus State System; Gubernatorial and Legislative appointment
4. Number of campuses	4-year: 11; 2-year CC: 28; Nonpublics: + 100
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item; Statements of legislative intent
C. What kind of items?	Instructional equipment; Library acquisitions; Technology; Other, curriculum and economic development
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required?	Yes; 1/3 of the debt service
C. Schedule	Periodically
D. Process initiated by	Other, State Department of Finance
E. How are funds appropriated?	Separate
F. Projects financed with	General obligation bonds; General funds
G. Funding process	Competition; between all state agencies
H. Building maintenance included?	No
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Student Financial aid

Comments:

2. There is just enough funding detail in order to guide the money but it is not specific enough that the Governor could line item veto appropriations.

Data for: **Mississippi**

Question	Responses
1. Funding Model	Formula
2. Distribution of funds	State Board of Control
3. Governance structure	State Board of Control; Gubernatorial appointment
4. Number of campuses	4-year: 9; 2-year branch: 8; 2-year CC: 15; Nonpublics: 10
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item; Statements of legislative intent; Separate bills
C. What kind of items?	Instructional equipment; Student financial aid; Other, medical schools and agriculture budget for land grant institutions.
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	No
C. Schedule	Each budget cycle
D. Process initiated by	Combination; Institution/Governor
E. How are funds appropriated? . . .	Not appropriated
F. Projects financed with	General obligation bonds
G. Funding process	Competition
H. Building maintenance included?	Yes
7. <u>State Aid for Nonpublic Institutions</u>	No
What type?	N/A

Comments:

- Mississippi uses lump sum appropriations with some specific allocations identified in the appropriations bill.
- 6, H. Building maintenance funds are distributed on an "as needed" basis.

Data for: **Missouri**

Question	Responses
1. Funding Model	Combination; formula/decision package
2. Distribution of funds	Institutional autonomy
3. Governance structure	Coordinating Board; Gubernatorial appointment
4. Number of campuses	4-year: 13; 2-year branch: 1; 2-year CC: 17; Nonpublics: 26
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item; Separate bills
C. What kind of items?	Other, leasing, supplementals
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	Varies
C. Schedule	Periodically
D. Process initiated by	Institution
E. How are funds appropriated? . . .	Separate
F. Projects financed with	General funds; Part of appropriations; Other state revenue sources
G. Funding process	Competition
H. Building maintenance included?	Yes
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Direct institutional aid; Student financial aid

Comments:

1. There is a formula distribution to all higher education institutions and there are certain items such as mission enhancements and funding for results that operate under a decision package model.
2. General operating funds are lump sum amounts by fund for each institution. The capital improvement appropriations are in a separate bill and are line item per project for each institution.
- 6, H. Maintenance funds are distributed much like the capital improvement process, in that the institutions compete. Items are prioritized and presented to the General Assembly which develops a bill and debates its merits.

Data for: **Montana**

Question	Responses
1. Funding Model	Combination; formula/decision package/percent across the board
2. Distribution of funds	State Board of Control
3. Governance structure	State Board of Control; Gubernatorial appointment
4. Number of campuses	4-year: 6; 2-year branch: 5; 2-year CC: 3; Nonpublics: 3
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item; Statement of legislative intent; Separate bills
C. What kind of items?	Student financial aid; Other, legislative and performance audits
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required?	Varies
C. Schedule	Each budget cycle
D. Process initiated by	Combination; Institution/Board of Control
E. How are funds appropriated?	Separate
F. Projects financed with	General obligation and Revenue bonds; General funds; Part of appropriations; Other state revenue sources: tobacco taxes
G. Funding process	Competition
H. Building maintenance included?	Yes
7. <u>State Aid for Nonpublic Institutions</u>	No
What type?	N/A

Comments:

1. Montana uses an incremental approach based on the most recently completed fiscal year expenses adjusted for some inflation. It then adds to that amount a formula amount for projected student FTE increases and decision packages for funding policy changes.
2. The current unrestricted funds are lump sum for the entire postsecondary education system. However, there are line items for community colleges, research/public service programs, and other minor items.

Montana (continued)

- 5, B. Special items may be appropriated as shown in this question but not all forms of appropriations are used every session. For example, the fiscal impact of bills passed during the 1999 session was included in the next appropriations bill.
- 6, H. Only major projects, such as roof repair, energy retrofits or ADA upgrades, are funded. General maintenance, such as cleaning, painting and plumbing are financed through the general funds of the institutions or student fees.

Data for: **Nebraska**

Question	Responses
1. Funding Model	Market
2. Distribution of funds	Combination; State Board/Institutions
3. Governance structure	State Board of Control, Statewide election for University of Nebraska; Coordinating Board, Gubernatorial appointment for Nebraska State Colleges
4. Number of campuses	4-year: 8; 2-year CC: 6; Nonpublics: 16
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated? . . .	Statement of legislative intent
C. What kind of items?	Technology; Student financial aid
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . .	Yes, amount varies
C. Schedule	Each budget cycle
D. Process initiated by	Governor
E. How are funds appropriated? . .	Separate
F. Projects financed with	Revenue bonds; General funds; Part of appropriations; Other state revenue sources: tobacco taxes; Other: depreciation funds
G. Funding process	Competition
H. Building maintenance included?	Yes
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Student financial aid

Comments:

2. Funds are appropriated in lump sum to the University of Nebraska System, the Nebraska State College System, and the Community College System. Some amount of intent language accompanies appropriations but such language typically affects less than 10% of the amounts appropriated. Some intent language simply addresses matters of policy the legislature intends to be followed.

- 6, H. Predominantly, funds are appropriated to the Task Force for Building Renewal. State agencies, including higher education institutions, compete for allocation of funds for building renewal projects from the Task Force for Building Renewal.

Data for: **Nevada**

Question	Responses
1. Funding Model	Combination; formula/decision package
2. Distribution of funds	State Board of Control
3. Governance structure	State Board of Control; local election
4. Number of campuses	4-year: 2; 2-year CC: 4; Nonpublics: 2
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item; Separate bills
C. What kind of items?	Other
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	No
C. Schedule	Each budget cycle
D. Process initiated by	Institution
E. How are funds appropriated? . . .	Separate
F. Projects financed with	General obligation and Revenue bonds; Part of appropriations
G. Funding process	Competition
H. Building maintenance included?	No
7. <u>State Aid for Nonpublic Institutions</u>	No
What type?	N/A

Comments:

2. The funding detail used in Nevada is lump sum totals by institution.

Data for: **New Hampshire**

Question	Responses
1. Funding Model	Percent across the board
2. Distribution of funds	State Board of Control
3. Governance structure	State Board of Control; Gubernatorial appointment
4. Number of campuses	4-year: 3
5. <u>Special Items</u> :	
A. Are they appropriated?	No
B. How are they appropriated?	N/A
C. What kind of items?	N/A
6. <u>Capital Improvements</u> :	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	No
C. Schedule	Each budget cycle
D. Process initiated by	Institution
E. How are funds appropriated? . . .	Separate
F. Projects financed with	General obligation bonds
G. Funding process	Other: Board sets priorities system wide
H. Building maintenance included?	No
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Direct institutional aid; Student financial aid

Comments:

- Funding detail is limited to lump sum appropriations.

Data for: **New Jersey**

Question	Responses
1. Funding Model	Combination; Percent across the board/decision package
2. Distribution of funds	Institutional autonomy
3. Governance structure	Coordinating Board; Gubernatorial appointment
4. Number of campuses	4-year: 15; 2-year CC: 26; Nonpublics: 28
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item; Statements of legislative intent; Separate bills
C. What kind of items?	Instructional equipment; Technology; Student financial aid; Other, special academic programs and research grants
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required?	Yes, amount varies
C. Schedule	Periodically
D. Process initiated by	Combination
E. How are funds appropriated?	Separate
F. Projects financed with	General obligation and State building authority bonds; General funds; Part of appropriations
G. Funding process	Formula, based on need; Set amount given to all institutions
H. Building maintenance included?	No
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Direct institutional aid; Student financial aid

Comments:

- Public senior colleges and universities generally receive identical across-the-board adjustments with a small additional amount awarded either competitively (performance incentives) or to meet a special need at a given institution. The latter are generally legislative initiatives.
- Funding detail is mostly lump sum with little appropriation detail or requirements. Some special purpose appropriations carry language expressing legislative intent. Note: fringe benefits are not part of the institutional appropriations; they are budgeted and paid directly by the state.

New Jersey (continued)

3. Under Coordinating Board: The New Jersey Commission on Higher Education is a coordinating board but has no governing powers. Each institution enjoys substantial autonomy and has its own board appointed by the Governor.
7. The "Independent College and University Assistance Act" gives \$23,245,000 in operating aid based on the number of New Jersey resident undergraduates. Also, special academic chairs and professorships receive small grants.

Data for: **New Mexico**

Question	Responses
1. Funding Model	Formula
2. Distribution of funds	Coordinating Board
3. Governance structure	Institutional autonomy; Gubernatorial appointment
4. Number of campuses	4-year: 6; 2-year branch: 10; 2-year CC: 9
5. <u>Special Items</u> :	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item
C. What kind of items?	Technology; Student financial aid; Other: public service and research projects
6. <u>Capital Improvements</u> :	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	No
C. Schedule	Annually
D. Process initiated by	Institution
E. How are funds appropriated? . . .	Separate
F. Projects financed with	General obligation bonds; Other: institutions float own bonds
G. Funding process	Competition
H. Building maintenance included?	No
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Student financial aid

Comments:

- 2. Funding detail is in line item form with some accompanying language.
- 6, H. Building renewal and replacement is funded as a formula component.

Data for: **New York**

Question	Responses
1. Funding Model	Decision package (see comments)
2. Distribution of funds	Other: Boards of control allocate budgets within legislative parameters
3. Governance structure	Multi-campus State Systems; Gubernatorial and Municipal appointment
4. Number of campuses	4-year: 42; 2-year branch: 5; 2-year CC: 36; Nonpublics: 181
5. <u>Special Items</u> :	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item; Separate bills
C. What kind of items?	Technology; Student financial aid; Other: development projects
6. <u>Capital Improvements</u> :	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	No
C. Schedule	Annually
D. Process initiated by	Combination; Institution/Governor/Legislature
E. How are funds appropriated? . . .	Separate
F. Projects financed with	Revenue bonds; Part of appropriations; Other: institutions collect fees
G. Funding process	Competition
H. Building maintenance included?	No
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Direct Institutional aid; Student financial aid

Comments:

- 1 The Governor's executive budget proposal is an incremental budgeting approach that reflects affordability based on the state's overall fiscal condition. The legislature may change the proposed appropriations in general and/or for specific program initiatives.
2. An overall appropriation is made for each of the two public university systems within which are schedules with line-item lump sums for individual institutions as well as for specific program initiatives (most of which are systemwide).

New York (continued)

3. Under Multi-campus State Systems: Five of the 15 City University of New York (CUNY) Trustees are appointed by the mayor of New York City with advice and consent of the New York Senate.
- 5, C. There are lump-sum line items (primarily systemwide) scheduled out within each public system's overall appropriation bill for special items. Also, on occasion authorization and funding for a new salary bill are done as a separate appropriation; and there are numerous, relatively small and primarily institution-specific items appropriated outside each system's overall operating budget appropriations.
- 6, H. The state does not fund daily and ongoing maintenance costs via the capital outlay process. However, on occasion capital funds are appropriated for preventive maintenance projects.
7. The state appropriates funding for direct and unrestricted institutional aid to many, but not all, independent sector institutions based on a dollars-per-degree-awarded formula as mediated by affordability concerns per the state's overall fiscal condition. Some other individual line-item appropriations are made to private higher education institutions (primarily institution specific). Also, New York's state-funded Tuition Assistance Program (TAP) provides about \$600 million annually in need-based grants to nearly 280,000 state residents attending New York's public and private postsecondary institutions. Approximately \$300 million is awarded each year to over 100,000 students attending private institutions.

Data for: **North Carolina**

Question	Responses
1. Funding Model	Combination; formula/decision package
2. Distribution of funds	State Board of Control
3. Governance structure	Statewide Board of Control; Legislative appointment
4. Number of campuses	4-year: 16; 2-year CC: 58; Nonpublics: 36
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated?	Statements of legislative intent
C. What kind of items?	Instructional equipment; Library acquisitions; Technology; Student financial aid
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	No
C. Schedule	Each budget cycle
D. Process initiated by	Combination; Institution/Board of Control/Legislature
E. How are funds appropriated? . . .	Separate
F. Projects financed with	General obligation and Revenue bonds; Part of appropriations
G. Funding process	Other: legislative priorities based on board requests
H. Building maintenance included?	Yes
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Student financial aid

Comments:

1. There is a base level of funding with allowable inflation increases for each institution. Enrollment increases are funded by formula to the system and other increases are made to the system based on request.
2. The funding detail is in lump-sum form by campus with the Board of Regents having a role in budget changes. Some specific provisions directing expenditures in a certain manner may be included in the budget bill.

North Carolina (continued)

- 5, C. Special items may be from the Board of Regents schedule of priorities or may be legislative initiatives.
- 6, H. Repair and renovation funds are equivalent to 3% of building values are allocated from year-end credit balances. The system receives a lump sum and distributes this among the campuses based on a formula that includes size, complexity, and condition of facilities.
- 7. A Legislative Tuition Grant provides North Carolina students enrolled as full-time undergraduates in a North Carolina private college with assistance of \$1,750. Each North Carolina private college receives \$1,050 per resident undergraduate FTE. This aid is to be used to provide need-based financial aid for North Carolina undergraduate students.

Data for: **North Dakota**

Question	Responses
1. Funding Model	Combination; decision package/percent across the board (see comments)
2. Distribution of funds	Combination; Institutions/State Board
3. Governance structure	Coordinating Board; Gubernatorial appointment
4. Number of campuses	4-year: 6; 2-year branch: 1; 2-year CC: 4; Nonpublics: 2
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated? . . .	Line item; Statements of legislative intent
C. What kind of items?	Student financial aid; Other: research projects, student services, Native American programs
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	Yes, varies by project
C. Schedule	Each budget cycle
D. Process initiated by	Combination; Institution/State Board
E. How are funds appropriated? . .	Separate
F. Projects financed with	Revenue bonds; Part of appropriations
G. Funding process	Competition
H. Building maintenance included? .	Yes
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Student financial aid

Comments:

1. Institutions' 1999-2001 budgets were a base of 95% of the previous biennial budget; plus partial funding of the Board of Higher Education's requested restoration or reinvestment, costs to continue, targeted critical salary adjustments, campus six-year strategies, technology enhancements, and faculty and staff compensation adjustments.
2. The appropriations bill provides specific institution appropriations by detailed line item, including the appropriation of tuition income and local funds.

North Dakota (continued)

- 6, H. Building maintenance funding is based on a formula that considers square footage, age of facility, and replacement value.
- 7. North Dakota has a student financial assistance grant program (\$600 per student per year, need-based) and the "Scholars Program" (full tuition, merit-based scholarship available to all students at North Dakota public and private institutions).

Data for: **Ohio**

Question	Responses
1. Funding Model	Formula
2. Distribution of funds	Combination; Institution/State Coordinating Board
3. Governance structure	Coordinating Board; Gubernatorial appointment
4. Number of campuses	4-year: 15 ; 2-year branch: 24; 2-year CC: 23; Nonpublics: 70
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated? . . .	Line item
C. What kind of items?	Instructional equipment; Technology; Other: academic, research, and access programs
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	No
C. Schedule	Each budget cycle
D. Process initiated by	Combination; Coordinating Board/State budget office
E. How are funds appropriated? . . .	Separate
F. Projects financed with	General obligation bonds; General funds
G. Funding process	Formula, based on enrollment, need, and age
H. Building maintenance included? .	Yes
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Direct institutional aid; Student financial aid

Comments:

2. Generally, statewide total appropriations are listed in the budget bill along with language detailing formula components, levels, and calculations.
- 6, H. "Basic renovations" funds are distributed to campuses based on a formula that calculates each campus's share of the total replacement value of instructional and general space for all campuses. That share is multiplied by the total available appropriations to determine campus allocations.

Data for: **Oklahoma**

Question	Responses
1. Funding Model	Formula
2. Distribution of funds	State Board of Control
3. Governance structure	Coordinating Board; Gubernatorial and Legislative appointment
4. Number of campuses	4-year: 13; 2-year branch: 7; 2-year CC: 12; Nonpublics: 13
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated? . . .	Statements of legislative intent
C. What kind of items?	Student financial aid
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	No
C. Schedule	Periodically
D. Process initiated by	Combination; Institution/State Board
E. How are funds appropriated? . .	Separate
F. Projects financed with	General obligation and Revenue bonds
G. Funding process	Formula, based on need
H. Building maintenance included? .	No
7. <u>State Aid for Nonpublic Institutions</u>	No
What type?	N/A

Comments:

1. The State Regents for Higher Education establish formulas for appropriation allocations to the institutions. The legislature is restricted by the state's Constitution and can appropriate only to the State Regents and not to individual institutions.
2. Funding detail is in lump-sum form; occasionally legislative intent language is included.

Data for: **Oregon**

Question	Responses
1. Funding Model	Combination; formula/decision package
2. Distribution of funds	State Board of Control
3. Governance structure	State Board of Control; Gubernatorial appointment
4. Number of campuses	4-year: 8; 2-year CC: 17; Nonpublics: 29
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated? . . .	Line item; Statements of legislative intent; Separate bills
C. What kind of items?	Technology; Other: instructional programs
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	No
C. Schedule	Each budget cycle
D. Process initiated by	Institution
E. How are funds appropriated? . .	Separate
F. Projects financed with	General obligation bonds; General funds
G. Funding process	Competition
H. Building maintenance included? .	Yes
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Direct institutional aid; Student financial aid

Comments:

1. The formula is used solely to distribute the state appropriation among the seven institutions of the Oregon University System. The level of the total state appropriation follows the decision package model.
2. Most of the appropriation is in the form of lump-sum items to the University of Oregon System. Smaller amounts are appropriated for specific programs, some housed at a particular institution. The Oregon State Board of Higher Education (OSBHE) approves distribution of the funds to the institutions. The institutions then have considerable autonomy over the use of those funds.

Oregon (continued)

4. Note under 4-year campuses: The state's Academic Health Center receives separate appropriations. It is not part of the seven-institution Oregon University System.
- 6, A. Direct state funding for capital construction and improvements has generally not been provided recently. However, a few exceptions have been made.
- 6, H. Each campus receives a proportion of total funds equal to that campus's proportion of system-wide square feet for educational facilities.
7. A very minimal amount of direct institutional aid is provided to one private institution to support graduate programs in engineering.

Data for: **Pennsylvania**

Question	Responses
1. Funding Model	Decision package
2. Distribution of funds	Combination; Institution/State Coordinating Board
3. Governance structure	Multi-campus State System; Gubernatorial appointment
4. Number of campuses	4-year: 18; 2-year CC: 14; Nonpublics: N/A
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated? . . .	Line item; Component of funding formula
C. What kind of items?	Instructional equipment; Technology
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	Yes, amount varies
C. Schedule	Periodically
D. Process initiated by	Combination; Governor/Legislature
E. How are funds appropriated? . .	Separate
F. Projects financed with	General obligation bonds
G. Funding process	Competition
H. Building maintenance included? .	No
7. <u>State Aid for Nonpublic Institutions</u>	Yes
What type?	Direct institutional aid; Student financial aid

Comments:

1. State-related universities and the State University System are funded through a decision package method while state-aided universities are funded with a percent across-the-board method. Community colleges are funded through a variety of methods but are primarily formula-driven.
2. Funding detail is in the form of general purpose appropriation and a number of specific purpose appropriations.

Data for: **Rhode Island**

Question	Responses
1. Funding Model	Decision package
2. Distribution of funds	State Board of Control
3. Governance structure	State Board of Control; Gubernatorial and Legislative appointment
4. Number of campuses	4-year: 5; 2-year CC: 3; Nonpublics: 9
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated? . . .	Statements of Legislative intent
C. What kind of items?	Technology
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	No
C. Schedule	Annually
D. Process initiated by	State Board of Control
E. How are funds appropriated?	Separate
F. Projects financed with	General obligation and Revenue bonds
G. Funding process	Competition
H. Building maintenance included? .	No
7. <u>State-aid for Nonpublic Institutions</u>	No
What type?	N/A

Comments:

- Funding detail is on a single line and in lump sum form for public higher education.

Data for: **South Carolina**

Question:	Responses:
1. Funding Model	Formula
2. Distribution of funds	Institutional autonomy
3. Governance structure	Coordinating Board; Gubernatorial appointment
4. Number of campuses	4-year: 12; 2-year branch: 5; 2-year CC: 16; Nonpublics: 25
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated? . . .	Line item
C. What kind of items?	Instructional equipment; Library acquisitions; Technology; Student financial aid
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	Yes, technical institutions require 20% match
C. Schedule	Periodically
D. Process initiated by	Combination; Governor/Legislature
E. How are funds appropriated? . .	Separate
F. Projects financed with	General obligation bonds; Other, institutions may float bonds
G. Funding process	Competition
H. Building maintenance included? .	Yes
7. <u>State-aid for Nonpublic Institutions</u>	Yes
What type?	Student financial aid

Comments:

1. South Carolina's Mission Resource requirement is a model that provides funding for those costs associated with education and general activities of the institutions for which the state is responsible. The higher education funding formula is based in part on the achievement of the standards set by 37 performance indicators including: base-line funding for institutions meeting the standards of achievement, incentive funding for institutions exceeding the standards of achievement, and reductions in funding for institutions that do not meet the standards of achievement.

South Carolina (continued)

2. The detail for South Carolina's colleges and universities is shown as: total salaries, total fringes, and total operating funds for education, general, and auxiliary. Specific appropriations are shown as special items with the operating funds for education and general.
- 6, H. Bonds can be issued for all types of capital projects, not just new construction.

Data for: **South Dakota**

Question	Responses
1. Funding Model	Combination; formula/decision package
2. Distribution of funds	Combination; Coordinating Board/Institutions
3. Governance structure	Coordinating Board; Gubernatorial appointment
4. Number of campuses	4-year: 6; 2-year branch ?; 2-year CC: ?; Nonpublics: ?
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated? . . .	Line item; Component of funding formula; Statements of legislative intent; Separate bills
C. What kind of items?	Instructional equipment; Technology
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	Varies
C. Schedule	Periodically
D. Process initiated by	Institution
E. How are funds appropriated? . .	Separate
F. Projects financed with	Revenue bonds
G. Funding process	Competition
H. Building maintenance included? .	No
7. <u>State-aid for Nonpublic Institutions</u>	No
What type?	N/A

Comments:

2. Funding detail is a single line item per institution.

Data for: **Tennessee**

Question	Responses
1. Funding Model	Formula
2. Distribution of funds	Institutional autonomy
3. Governance structure	Coordinating Board; Gubernatorial appointment
4. Number of campuses	4-year: 11; 2-year CC: 14; Nonpublics: 35
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated? . . .	Statements of legislative intent
C. What kind of items?	Instructional equipment
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	No
C. Schedule	Annually
D. Process initiated by	Combination; Institutions/Coordinating Board
E. How are funds appropriated? . . .	Separate
F. Projects financed with	General obligation and Building authority bonds; General funds; Part of appropriations
G. Funding process	Competition
H. Building maintenance included? .	No
7. <u>State-aid for Nonpublic Institutions</u>	Yes
What type?	Direct institutional aid; Student financial aid

Comments:

2. Funding detail is limited to lump-sum line items by institution.

6, H. Building maintenance projects are based on a priority list established by the Governing Board.

Data for: **Texas**

Question	Responses
1. Funding Model	Combination; formula/decision package
2. Distribution of funds	Combination; Institutions/Coordinating Board
3. Governance structure	Coordinating Boards; Gubernatorial appointment
4. Number of campuses	4-year: 44; 2-year CC: 50; Nonpublics: 43
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated? . . .	Statements of legislative intent
C. What kind of items?	Instructional equipment; Library acquisitions; Technology; Student financial aid; Other: research, public service and museum projects
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	No
C. Schedule	Periodically
D. Process initiated by	Other: Institutions and state building funds
E. How are funds appropriated? . .	Separate; Included for debt service
F. Projects financed with	Revenue bonds; Part of appropriations
G. Funding process	Competition; Formula based on need
H. Building maintenance included? .	No
7. <u>State-aid for Nonpublic Institutions</u>	Yes
What type?	Direct institutional aid; Student financial aid

Comments:

- About 76.1 % of funding is distributed by formulas; 9.4% is special item funding; and 14.5% is other (debt service, indirect cost recovery, certain staff benefits).
- Appropriations are made in a lump sum. Detail by line item follows the appropriation in an informational rider.

Texas (continued)

6, F. The State of Texas finances capital improvements through three major sources:

- 1) The Available University Fund (AUF): Constitutionally dedicated; funded from surface and investment income from the Permanent University Fund (mineral income and capital gains); distributed to eligible institutions based on constitutional limitations and decisions of the Board of Regents of the University of Texas System and the Texas A&M System.
- 2) The Higher Education Fund (HEF): Constitutionally dedicated; funded from state general revenue fund appropriations; allocated by formula.
- 3) Tuition revenue bonds: authorized by statute; debt service appropriated.

Data for: **Utah**

Question	Responses
1. Funding Model	Combination
2. Distribution of funds	Institutional autonomy
3. Governance structure	State Board of Control; Gubernatorial appointment
4. Number of campuses	4-year: 5; 2-year branch: 5; 2-year CC: 4; Nonpublics: 3
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item; Separate bills
C. What kind of items?	Instructional equipment; Library acquisitions; Technology; Student financial aid; Other: special programs
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	No
C. Schedule	Each budget cycle
D. Process initiated by	Institution
E. How are funds appropriated? . .	Separate
F. Projects financed with	Bonds
G. Funding process	Formula
H. Building maintenance included? .	No
7. <u>State-aid for Nonpublic Institutions</u>	No
What type?	N/A

Comments:

- Funding detail is limited to line item allocations.

Data for: **Vermont**

Question	Responses
1. Funding Model	Percent across the board
2. Distribution of funds	Institutional autonomy
3. Governance structure	Institutional autonomy; Gubernatorial and Legislative appointment
4. Number of campuses	4-year: 1; 2-year CC: 4; Nonpublics: ?
5. <u>Special Items:</u>	
A. Are they appropriated?	No
B. How are they appropriated? . . .	N/A
C. What kind of items?	N/A
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	Yes, amount varies
C. Schedule	Annually
D. Process initiated by	Institution
E. How are funds appropriated? . .	Separate
F. Projects financed with	General obligation bonds
G. Funding process	Competition
H. Building maintenance included? .	No
7. <u>State-aid for Nonpublic Institutions</u>	No
What type?	N/A

Comments:

2. Vermont appropriates a lump-sum line item with little direction as to how it is to be spent.

Data for: **Virginia**

Question	Responses
1. Funding Model	Combination; formula/decision package
2. Distribution of funds	Institutional autonomy
3. Governance structure	Coordinating Board; Gubernatorial appointment
4. Number of campuses	4-year: 15; 2-year branch: 1; 2-year CC: 23; Nonpublics: N/A
5. <u>Special Items</u> :	
A. Are they appropriated?	Yes
B. How are they appropriated? . . .	Line item; Statements of legislative intent
C. What kind of items?	Instructional equipment; Technology; Student financial aid; Other: faculty salaries
6. <u>Capital Improvements</u> :	
A. Are they appropriated?	Yes
B. Institutional match required? . .	No
C. Schedule	Each budget cycle
D. Process initiated by	Governor
E. How are funds appropriated? . .	Separate
F. Projects financed with	General obligation bonds; Part of appropriations
G. Funding process	Competition
H. Building maintenance included?	Yes
7. <u>State-aid for Nonpublic Institutions</u>	Yes
What type?	Student financial aid

Comments:

1. Virginia is currently in the process of developing new funding guidelines to determine funding adequacy and fund enrollment growth. In the absence of guidelines, a base-plus approach is used.
2. Most budget data are aggregated in the bill by institution with some items set out as separate programs or line items.
- 6, H. Operational aid for maintenance of physical plant is part of the operating budget. A separate appropriation is made for deferred maintenance and is treated as a capital item.
7. There is a Tuition Assistance Grant of up to \$2,700 per year per student that is not needs-based.

Data for: **Washington**

Question	Responses
1. Funding Model	Combination; decision package/market
2. Distribution of funds	Institutional autonomy
3. Governance structure	Coordinating Board; Gubernatorial appointment
4. Number of campuses	4-year: 6; 2-year branch: 5; 2-year CC: 33; Nonpublics: 15
5. <u>Special Items</u> :	
A. Are they appropriated?	Yes
B. How are they appropriated?	Line item
C. What kind of items?	Technology; Student financial aid; Other: projects at legislative discretion
6. <u>Capital Improvements</u> :	
A. Are they appropriated?	Yes
B. Institutional match required?	Yes, amount varies
C. Schedule	Each budget cycle
D. Process initiated by	Institution
E. How are funds appropriated?	Separate
F. Projects financed with	General obligation bonds; General funds; Other: state building funds
G. Funding process	Competition
H. Building maintenance included?	No
7. <u>State-aid for Nonpublic Institutions</u>	Yes
What type?	Student financial aid

Comments:

1. There are incremental changes made to the budget based on decision packages. Washington has a cost model for funding new FTE enrollments that considers average cost of instruction for prior year given student mix by sector (research, comprehensive) and availability of tuition revenue to offset costs. Washington prospectively funds new student enrollments.
2. Detail can vary from one budget session to another. Typically, there is a cite of authorized new FTE enrollments (prospectively funded) and limits with regard to salary increases for faculty, professional, and classified higher education employees. Institutions receive a lump sum operating budget appropriation, some portion of which may be earmarked for a specific program or

Washington (continued)

purpose. This session, for the first time in state history, four-year institutions were granted some tuition-setting authority, and further a pool of new FTE students will be awarded by the State Coordinating Board on a competitive basis targeting high-demand fields of study. Otherwise, the legislature has tuition-setting authority.

7. Need-based aid for qualified residents follows the undergraduates to their own chosen place of study. However, the institution must be accredited and participate in Federal financial aid programs.

Data for: **West Virginia**

Question	Responses
1. Funding Model	Combination; formula/decision package
2. Distribution of funds	State Board of Control
3. Governance structure	State Boards of Control; Gubernatorial appointment
4. Number of campuses	4-year: 11; 2-year branch: 2; 2-year CC: 10; Nonpublics: 10
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated? . . .	Line item; Component of funding formula; Statements of legislative intent; Separate bills
C. What kind of items?	Instructional equipment; Library acquisitions; Technology; Student financial aid; Other: program, cooperation, and economic development
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	Yes, fee revenue is usually 100%
C. Schedule	Periodically
D. Process initiated by	Combination; Institution/State Board/Governor
E. How are funds appropriated? . . .	Separate
F. Projects financed with	Revenue bonds; General funds; Part of appropriations; Other state revenue sources: lottery funds
G. Funding process	Competition
H. Building maintenance included?	Yes
7. <u>State-aid for Nonpublic Institutions</u>	Yes
What type?	Student financial aid

Comments:

1. Statute requires that the institutions meet a certain percentage of the Southern Regional Education Board's average salaries within a certain number of years. The Legislature appropriates a certain percentage addition each year and the institutions must find the rest of the salary increase funds within their own financial structure. Basically, the boards use a resource allocation program.

West Virginia (continued)

2. Appropriations generally are made to the two boards' of control accounts for distribution by them to the institutions. Some special projects or programs are by line item as are the major appropriations to the medical schools.
- 6, H. Building maintenance funding is mostly left up to the boards of control because the general revenue appropriations are not sufficient to cover routine maintenance. Institutions can also use fee revenues for maintenance once debt service, if any, has been set aside.

Data for: **Wisconsin**

Question	Responses
1. Funding Model	Decision package (see comments)
2. Distribution of funds	State Board of Control
3. Governance structure	State Board of Control; Gubernatorial appointment
4. Number of campuses	4-year: 13; 2-year CC: 13; Nonpublics: + 21
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated? . . .	Line item; Statements of legislative intent
C. What kind of items?	Instructional equipment; Library acquisitions; Technology; Student financial aid; Other: Board requested projects
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	Varies
C. Schedule	Each budget cycle
D. Process initiated by	State Board of Control
E. How are funds appropriated? . . .	Separate
F. Projects financed with	General obligation bonds; Other: self-financing operations
G. Funding process	Competition
H. Building maintenance included?	Yes
7. <u>State-aid for Nonpublic Institutions</u>	Yes
What type?	Student financial aid

Comments:

1. The University of Wisconsin Board of Regents requests funding increases over the previous year's base level for particular initiatives, which may be system-wide or for an individual institution.
2. The biennial budget bill contains funding items, which may or may not include statutory or nonstatutory language. The bill may provide lump sum funds for the University of Wisconsin System and/or allocate funding for a particular institution.
- 6, H. For major maintenance and renovation projects the State Building Commission will allocate funding provided as part of the state building program.

Data for: **Wyoming**

Question	Responses
1. Funding Model	Market
2. Distribution of funds	State Board of Control
3. Governance structure	State Board of Control/Institutional autonomy (1 institution); Gubernatorial appointment
4. Number of campuses	4-year: 1; 2-year CC: 7; Nonpublics: 3
5. <u>Special Items:</u>	
A. Are they appropriated?	Yes
B. How are they appropriated? . . .	Line item; Statements of legislative intent
C. What kind of items?	Technology; Other: legislative discretion
6. <u>Capital Improvements:</u>	
A. Are they appropriated?	Yes
B. Institutional match required? . . .	Yes, amount varies
C. Schedule	Annually
D. Process initiated by	State Board of Control/Institution
E. How are funds appropriated? . . .	Separate
F. Projects financed with	Revenue bonds; Part of appropriations
G. Funding process	Competition
H. Building maintenance included?	Yes
7. <u>State-aid for Nonpublic Institutions</u>	No
What type?	N/A

Comments:

1. Wyoming has one four-year institution. It is funded in a block grant fashion. The process most closely corresponds to the market model; although rather than competing against other institutions, the institution simply makes its case.
2. Two block grants (lump sum) are provided. One is primarily general funds; the second is Federal and other funds such as tuition.
- 6, H. Some minor maintenance and deferred maintenance is funded. Routine maintenance is not included in the capital outlay process.

APPENDIX B:
SURVEY QUESTIONNAIRE

**MICHIGAN SENATE FISCAL AGENCY
HIGHER EDUCATION SURVEY
OCTOBER 1999**

Check which response applies to your state.

1. Funding Model for Four-Year Institutions

- ___ **Formula.** A funding model that is used by the legislature or state board of control for any of the following purposes: determining total appropriation requests, determining total appropriation levels or distribution of appropriations of individual campuses.
- ___ **Decision Package.** The legislature provides a basic appropriation based on a fixed percentage of the previous year's funding and with additions made for particular options and campuses.
- ___ **% Across the Board.** All institutions are given identical percentage adjustments.
- ___ **Market.** All institutions lobby and present their cases for funding increases in a competitive/legislative atmosphere.
- ___ **Combination.** The use of a combination of formula with other funding mechanisms.
- ___ **Other.** None of the above apply to your state; please explain below.

Explanation/Comments

2. Distribution of State Funds for Four-Year Institutions

A. After the appropriations are enacted, who decides how funds are spent?

- ___ State Board of Control
- ___ Coordinating Boards
- ___ Institutional Autonomy
- ___ Combination of the above
- ___ Other _____

- B. What kind of detail (e.g., lump sum line items, specific allocations within an institution, language) is included within the appropriations bill? Please explain.

Explanation/Comments

3. Governance Structure for Four-Year Institutions

- ___ **Statewide Board of Control.** There is a central board of control responsible for all operations of the campuses. Members are selected by:

- ___ Statewide election
___ Local election
___ Gubernatorial appointment
___ Legislative appointment
___ Municipal appointment

Other _____

- ___ **Coordinating Board.** There is a statewide coordinating board but a significant amount of autonomy is retained by the individual campus or institution. Members are selected by:

- ___ Statewide election
___ Local election
___ Gubernatorial appointment

___ Legislative appointment

___ Municipal appointment

___ Other _____

___ **Multi-campus State System.** There is more than one institution and these institutions operate many campuses. Members are selected by:

___ Statewide election

___ Local election

___ Gubernatorial appointment

___ Legislative appointment

___ Municipal appointment

___ Other _____

___ **Combination of Coordinating Board and Multi-campus State System.** Members are selected by:

___ Statewide election

___ Local election

___ Gubernatorial appointment

___ Legislative appointment

___ Municipal appointment

___ Other _____

___ **Institutional Autonomy.** Institutions enjoy complete autonomy, with their own individual governing boards, and there is no mandatory coordinating function. Governing board members are selected by:

___ Statewide election

___ Local election

___ Gubernatorial appointment

___ Legislative appointment

___ Municipal appointment

___ Other _____

Explanation/Comments

4. Number of Campuses

- ___ **Four Year.** Includes all four-year institutions (and their campuses) and free-standing graduate programs including medical.
- ___ **Two-Year Branch.** Branch campuses of four-year institutions.
- ___ **Two-Year Public Community Colleges.**
- ___ **Nonpublic.** All degree granting nonpublic colleges and universities.

Explanations/Comments

5. Special Items

- A. Does the state specifically appropriate for special items (other than Capital Outlay)?
- ___ YES ___ NO
- B. How are special items appropriated?
- ___ Line item
- ___ Component of funding formula
- ___ Statements of legislative intent
- ___ Separate bills

C. What are these items (check all that apply)

___ Instructional equipment and training

___ Library acquisitions

___ Technology

___ Student financial aid

___ Other _____

Explanations/Comments

6. Capital Improvements

A. Does the state finance major capital improvements? ___ YES ___ NO

B. Is there any institution match required? ___ YES ___ NO

If yes, how much? _____

C. What is the schedule for the capital improvement process?

___ Annually

___ Each budget cycle

___ Other _____

D. Who initiates the capital improvement process?

___ Institution

___ Governor

___ Legislature

___ State Board of Control

___ Combination _____

___ Other _____

E. How are capital improvements appropriated?

___ **Separate.** Capital funds are appropriated separately from operating funds.

___ **Included.** Capital funds are included with operating fund appropriations.

F. How are capital projects financed?

___ Bonds -- What type? _____

___ General Funds of the institution

___ Part of annual legislative appropriations

___ Other state revenue sources: _____

___ Other _____

G. What is the process for capital improvement funding?

___ Institutions compete for projects and funds.

___ Formula for capital improvements, based on:

___ Enrollment changes (+/-)

___ Need

___ Age of current facilities

___ Set amount given to all institutions regardless of need or request.

___ Other _____

H. Does the state finance building maintenance through the Capital Outlay process?

___ YES ___ NO

If yes, please explain how the maintenance funds are distributed.

Explanations/Comments

7. Aid to Nonpublics. Does the state provide support to nonpublic institutions?

___ YES ___ NO If yes, in what form:

___ **Direct Institutional Aid.** Direct aid is provided to nonpublic institutions (funds provided for tuition assistance and which are paid directly to the institutions but which must be used to reduce tuition on a dollar-for-dollar basis are not classified as direct aid.).

___ **Student Financial Aid.** Financial aid is available for students at private institutions either through general assistance programs or through programs limited solely to private school students.

Explanation/Comments
